

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *CONSTRUCTION LIEN ACT*,
R.S.O. 1990, c. C.30, AS AMENDED**

**AND IN THE MATTER OF AN APPLICATION MADE BY
JADE-KENNEDY DEVELOPMENT CORPORATION
FOR THE APPOINTMENT OF A TRUSTEE UNDER SECTION 68(1) OF THE
CONSTRUCTION LIEN ACT, R.S.O. 1990, c. C.30, AS AMENDED**

**MOTION RECORD
(returnable May 1, 2015)**

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**NOTICE OF MOTION
(returnable May 1, 2015)**

COLLINS BARROW TORONTO LIMITED (“CBTL”), in its capacity as Court-appointed *Construction Lien Act* (Ontario) (“CLA”) trustee in this proceeding (the “Trustee”) will make a motion to a Judge of the Commercial List on May 1, 2015 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

(a) an Order:

- (i) approving the First Report of the Trustee dated April 23, 2015 (the “**First Report**”) and the conduct and activities of the Trustee as set out in the First Report;
 - (ii) authorizing and empowering the Trustee to execute, issue and endorse documents of whatever nature in respect of the Property (as defined below) in the name and on behalf of Jade-Kennedy Residential Corporation (“**JKRC**”), and take all necessary steps in the name and on behalf of JKRC in respect of the Property, for any purpose pursuant to the Appointment Order (as defined below);
 - (iii) authorizing the Trustee to terminate or disclaim four (4) residential Agreements of Purchase and Sale that were entered into by JKRC with construction lien claimants prior to the commencement of this proceeding at a time when JKRC and Jade-Kennedy Development Corporation (“**JKDC**”) were insolvent and for no cash consideration;
 - (iv) authorizing the Trustee to terminate or disclaim two (2) residential Agreements of Purchase and Sale that were entered into by JKRC on the eve of the Trustee’s appointment for purchase prices that were substantially below the listing prices and at a time when JKRC and JKDC were insolvent;
- (b) an order vesting the right, title and interest of JKDC in the Terrace Unit (as defined below) to York Region Standard Condominium Corporation No. 1265

(“YRSCC 1265”) pursuant to the Condominium Declaration, free and clear of all encumbrances and claims;

- (c) an Order approving the Construction Lien Claims Process (as defined below); and
- (d) such further and other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

1. On February 11, 2015, CBTL was appointed as Trustee under the *CLA* with respect to lands and premises owned by JKDC, legally described in Schedule “A” to the Appointment Order and commonly known as South Unionville Square (“SUSQ”) (the “Property”) pursuant to the Order of the Honourable Mr. Justice Pattillo dated February 11, 2015 (the “Appointment Order”).
2. Pursuant to the Appointment Order, the Trustee was authorized to, among other things:
 - (a) act as receiver and manager of the Property;
 - (b) take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (c) complete the existing agreements of purchase and sale for the 18 pre-sold commercial units in Phase II of the Property and to sell the remaining units in Phases I and II of the Property and the vacant land comprising Phase III.

3. This proceeding was commenced by way of application by JKDC, the registered owner of the Property. The Property was developed by JKDC in three Phases.
4. Phase I of the project was the development and construction of a T&T Supermarket and a commercial condominium project with units for retail, restaurant, office and medical services. There are 18 commercial units that are still to be sold.
5. Phase II of the SUSQ project involved the development and construction of a 12-storey condominium-apartment tower, which contains 253 residential units, 21 commercial units located under the residential units, and 312 parking units. At the time of the Trustee's appointment, there were six residential units, six lockers and eight parking units still to be sold. Additionally, 18 of the 21 commercial units had been pre-sold.
6. Phase III was to be the planned development and construction of thirteen (13) freehold townhomes and two (2) single detached homes on vacant lands owned by JKDC.
7. JKDC commenced this proceeding as it was insolvent. Over \$3.0 million in construction liens had been registered against the SUSQ project and it was necessary for a trustee to be appointed to complete the remaining steps to complete the sale of pre-sold units, sell the remaining units and vacant land, and distribute the sale proceeds pursuant to Court order.
8. A detailed description of the activities taken by the Trustee to date is set out in the First Report.

JKRC

9. JKRC is a separate legal entity, wholly owned by the same MADY Group entity that owns JKDC. JKRC is the vendor under sale agreements for residential units, and is the Tarion registrant, notwithstanding that JKDC is the registered owner of the Property.
10. JKRC was not an applicant in the proceeding appointing CBTL as Trustee and JKRC is not referred to in the Appointment Order. Accordingly, the Trustee has no power or authority over or in respect of JKRC.
11. The Trustee has been informed by JKRC management that JKRC is a single purpose entity that was established solely for the purpose set out above, and has no other business and no assets.
12. So that the Trustee can complete its mandate under the Appointment Order with respect to the Property, the Trustee needs to be able to execute, issue and endorse documents of whatever nature in respect of the Property in the name and on behalf of JKRC, and take all necessary steps in the name of and on behalf of JKRC in respect of the Property, for any purpose pursuant to the Appointment Order.
13. In the event that such authority is granted by the Court, all net sale proceeds with respect to the sale of residential units, lockers and parking units will be paid to the Trustee.

Termination or Disclaimer of Lien Claimant Sale Agreements

14. Pursuant to an agreement of purchase and sale dated December 9, 2014, as amended (the "827 APS"), Brody Wall System Ltd. ("Brody") agreed to purchase Unit 827 ("Unit 827") in the SUSQ project from JKRC. The 827 APS lists a purchase price of \$230,000.

15. Pursuant to an agreement of purchase and sale dated October 3, 2014, as amended (the “**1216 APS**”), Diri-Kipli Corp. (“**Diri-Kipli**”) agreed to purchase Unit 1216 (“**Unit 1216**”) in the SUSQ project from JKRC. The 1216 APS lists a purchase price of \$265,000.
16. Pursuant to an agreement of purchase and sale dated April 29, 2014, as amended (the “**1521 APS**”), Dircam Properties Limited (“**Dircam**”) agreed to purchase Unit 1521 (“**Unit 1521**”) in the SUSQ project from JKRC. The 1521 APS lists a purchase price of \$274,900.
17. Pursuant to an agreement of purchase and sale dated October 3, 2014, as amended (the “**1527 APS**”, and together with the 827 APS, the 1216 APS and the 1521 APS, the “**Lien Claimant Sale Agreements**”), Diri-Kipli agreed to purchase Unit 1527 (“**Unit 1527**”, and together with Unit 827, Unit 1216 and Unit 1521, the “**Residential Units**”) in the SUSQ project from JKRC. The 1527 APS lists a purchase price of \$265,000.
18. Consideration for the purchase of the Residential Units is the partial satisfaction of the indebtedness of JKDC to Brody, Diri-Kipli and Dircam respectively. As a result, no cash consideration is contemplated in the Lien Claimant Agreements.
19. Brody is a construction contractor that performed work on the SUSQ project and other MADY Group projects. According to the books and records of JKDC, Brody is owed \$81,529. Brody registered a construction lien against the Property on January 21, 2015 in the amount of \$82,529.

20. Dircam is a construction contractor that performed work on the SUSQ project. According to the books and records of JKDC, Dircam is owed \$579,661.85. Dircam registered a construction lien against the Property on December 30, 2014 in the amount of \$822,796.98. Under the 1216 APS and the 1527 APS, Dircam assigned part of its debt to Diri-Kipli.
21. In the Trustee's view, the sale of the Residential Units to Brody, Diri-Kipli and Dircam pursuant to the Lien Claimant Sale Agreements, if completed, would result in the lien claimants obtaining an unjust preference over other creditors of JKDC. A conveyance of property to a party that has a lien claim over the property is void against all other lien claimants under the *CLA*.
22. As a result the Trustee is seeking the Court's authorization to terminate or disclaim the Lien Claimant Sale Agreements. If such authorization is granted, the Trustee will market the Residential Units for sale in order to realize the maximum value for all stakeholders.

Units Sold Below Fair Market Value

23. On February 9, 2015, being two days prior to the appointment of the Trustee, JKRC entered into the following agreements:
 - (a) Agreement of Purchase and Sale dated February 9, 2015 between JKRC and Roger James Dol for the sale of Unit 218 ("**Unit 218**") for the purchase price of \$200,000 and a deposit of \$5,000 (the "**Unit 218 APS**"); and

- (b) Agreement of Purchase and Sale dated February 9, 2015 between JKRC and Anna Gayle Andrew for the sale of Unit 117 (“Unit 117”) for the purchase price of \$200,000 and a deposit of \$5,000 (the “Unit 117 APS”).
24. The Trustee was informed about these sale agreements following its appointment, and the units were not on the list of pre-sold units that the Trustee was authorized to close pursuant to the Appointment Order.
25. Unit 117 had previously been listed for sale for \$270,900 and Unit 218 had been listed for sale for \$271,900.
26. The Trustee:
- (a) has been informed by MADY Group management that the spouse of Anna Andrew is a former employee of JKRC, and Roger James Dol is a friend or acquaintance of the Andrews;
 - (b) was approached by a realtor that indicated that they could bring forward an offer for Unit 117 at an amount that was materially higher than the purchase price under the Unit 117 APS; and
 - (c) has been informed by a realtor that the last sales of similar residential units took place in the Fall of 2014 at substantially higher prices.
27. The Trustee, through its counsel, informed the purchasers that the sale agreements did not represent fair market value for the units and that the Trustee would be seeking Court authorization to terminate the sale agreements. The purchasers have indicated their intent

to oppose any motion by the Trustee to terminate the sale agreements and will seek an order compelling the Trustee to complete the sale agreements.

28. Given the facts set out above, and given that the sale agreements were executed by JKRC at a time when JKRC and JKDC were insolvent and only two days prior to the hearing of JKDC's application for the appointment of the Trustee, the Trustee is of the view that such transactions, if completed, would constitute improvident sales at amounts materially below fair market value and would be prejudicial to the mortgagees and the lien claimants that have the economic interest in the property.
29. As a result the Trustee is seeking the Court's authorization to terminate or disclaim the sale agreements. In the event that the Court authorizes the Trustee to terminate or disclaim the sale agreements, the Trustee intends to market the units for sale in order to realize the maximum value for all stakeholders.

Transfer of The Terrace Unit to YRSCC 1265

30. Subsequent to its appointment, the Trustee was informed that in addition to the Property that is subject to the Appointment Order, JKDC is also owner of land and premises in the SUSQ project bearing PIN 29759-0749. This property represents Unit 1 on Level 3 of the residential condominium tower and is an outdoor terrace unit intended for use by the residential unit owners (the "**Terrace Unit**").
31. Pursuant to Article 4.8 of the Condominium Declaration, JKDC is to transfer title to the Terrace Unit to YRSCC 1265 after it has been registered. This transfer has not occurred to date.

32. As a result, the Trustee is requesting that the Court grant an order vesting title to the Terrace Unit to YRSCC 1265 free and clear of all encumbrances and claims, in accordance with the Condominium Declaration.

Construction Lien Claims Process

33. As of March 30, 2015, 19 construction liens had been registered against the Property in a total aggregate amount of approximately \$3.77 million.

34. As a result of the existence of the construction liens, and the need for all construction liens against the Property to be asserted so that the Trustee can make a recommendation to the Court as to the parties entitled to the net sale proceeds, it is necessary, in the Trustee's view, to establish a claims process for the submission, review and determination of all *CLA* lien claims for the provision of services and materials prior to February 11, 2015 with respect to the Property, and that this process be the exclusive process by which all construction lien claims and their priority are determined.

35. The Trustee is proposing the construction lien claim process described in the First Report (the "**Construction Lien Claims Process**") to be approved by the Court, which provides that the Trustee shall administer the claim process, including the review, determination, acceptance, revision, disallowance and/or settlement of any claim.

36. The Trustee is of the view that the Construction Lien Claims Process will allow for a timely and cost effective adjudication of the claims of the construction lien claimants, and is in the best interest of all of JKDC's stakeholders.

General

37. The First Report.
38. Rules 1.04, 1.05, 2.01, 2.03, and 37 of the *Rules of Civil Procedure* (Ontario).
39. Section 80(2) of the *CLA*.
40. The inherent jurisdiction of the Court.
41. Such other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The First Report and the Appendices annexed thereto; and
2. such further and other material as counsel may advise and this Honourable Court may permit.

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Court File No. CV15-10882-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

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(returnable May 1, 2015)

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**FIRST REPORT TO THE COURT OF COLLINS BARROW TORONTO LIMITED AS
CONSTRUCTION LIEN TRUSTEE OF SOUTH UNIONVILLE SQUARE**

APRIL 23, 2015

INTRODUCTION

1. By Order of the Honourable Mr. Justice Pattillo of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated February 11, 2015 (the “**Appointment Order**”), Collins Barrow Toronto Limited (“**CBTL**”) was appointed trustee (the “**Trustee**”) pursuant to Section 68(1) of the *Construction Lien Act* (Ontario) (“**CLA**”), of the lands and premises legally described in Schedule “A” of the Appointment Order comprised of, among other things, commercial and residential condominium units, and vacant land owned by Jade-Kennedy Development Corporation (“**JKDC**”) and commonly known as South Unionville Square (“**SUSQ**”) (the “**Property**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The Appointment Order authorized the Trustee to, among other things, act as receiver and manager of the Property, and take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property. In addition, the Trustee was authorized to complete the existing agreements of purchase and sale for the 18 pre-sold commercial units in Phase II of the Property and to sell the remaining units in Phases I and II of the Property and the vacant land comprising Phase III.
3. Publicly available information relating to this proceeding has been posted on the Trustee’s website, which can be found at:

<http://www.collinsbarrow.com/en/cbn/jade-kennedy-development-corporation>

PURPOSE OF FIRST REPORT

4. The purpose of this first report of the Trustee (the "**First Report**") is to:
- (a) report to the Court on the activities of the Trustee since its appointment;
 - (b) provide the Court with a summary of the Trustee's receipts and disbursements for the period February 11, 2015 to April 10, 2015;
 - (c) request that the Court grant Orders:
 - (A) approving the First Report and the conduct and activities of the Trustee described therein;
 - (B) authorizing and empowering the Trustee to execute, issue and endorse documents of whatever nature in respect of the Property in the name and on behalf of Jade-Kennedy Residential Corporation ("**JKRC**"), and take all necessary steps in the name and on behalf of JKRC in respect of the Property, for any purpose pursuant to the Appointment Order;
 - (C) authorizing the Trustee to terminate or disclaim four (4) residential Agreements of Purchase and Sale that were entered into by JKRC with construction lien claimants prior to the commencement of this proceeding at a time when JKRC and JKDC were insolvent and for no cash consideration;

- (D) authorizing the Trustee to terminate or disclaim two (2) residential Agreements of Purchase and Sale that were entered into by JKRC on the eve of the Trustee's appointment for purchase prices that were substantially below the listing prices and at a time when JKRC and JKDC were insolvent;
- (E) vesting the right, title and interest of JKDC in the Terrace Unit (as defined below) to York Region Standard Condominium Corporation ("YRSCC") No. 1265 pursuant to the Condominium Declaration (as defined below), free and clear of all encumbrances and claims; and
- (F) approving a claims process for the submission, review and determination of all lien claims pursuant to the *CLA* for the provision of services and materials prior to February 11, 2015 with respect to the Property.

TERMS OF REFERENCE

5. In preparing this First Report and making the comments herein, the Trustee has relied upon unaudited financial information, the books and records of JKDC, discussions with management and employees of JKDC and other companies within the MADY group of companies (the "**MADY Group**"), and information received from other third-party sources (collectively, the "**Information**"). Certain of the information contained in this First Report may refer to, or is based on, the

Information. As the Information has been provided by JKDC or other parties, the Trustee has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Trustee expresses no opinion or other form of assurance in respect of the Information.

BACKGROUND INFORMATION

6. The MADY Group is a diversified real estate development group with commercial and residential business operations across North America. JKDC was incorporated on January 30, 2008 for the purpose of being the registered owner and developer of the SUSQ project. JKDC is a party that is related to the MADY Group and is an Ontario corporation with its registered office located in Markham, Ontario.
7. The SUSQ project was developed and constructed in three phases:

Phase I

8. Phase I of the project was the development and construction of a T&T Supermarket and a commercial condominium project with units for retail, restaurant, office and medical services. In addition, there are more than 1,250 parking spaces for the supermarket and the commercial units.

9. Construction of Phase I was substantially completed on March 5, 2013 and the condominium declaration was registered on April 17, 2013 (the "**Condominium Declaration**"), when YRSCC No. 1228 was created. The turnover meeting was held on July 8, 2013.
10. There are 18 commercial units that are still to be sold by the Trustee ("**Phase I Commercial Units**").
11. YRSCC 1228 is managed by PH Property Management & Consulting Inc.

Phase II

12. Phase II of the SUSQ project involved the development and construction of a 12-storey condominium-apartment tower, which contains 253 residential units, 21 commercial units located under the residential units ("**Phase II Commercial Units**"), and 312 parking units.
13. Phase II was constructed in two stages. The first stage was the development and construction of the residential units known as "The Residences at South Unionville Square". Construction was substantially complete on June 10, 2014 and the condominium declaration was registered on September 11, 2014, when YRSCC No. 1265 was created. The turnover meeting was held on November 17, 2014. YRSCC No. 1265 is managed by First Service Residential.
14. At the time of the Trustee's appointment, according to the books and records of JKDC, there were six residential units, six lockers and eight parking units still to be sold. However, as noted in further detail below, the Trustee determined that

sale agreements had been entered into for four of these residential units for no cash consideration, and sale agreements were entered into for the remaining two residential units on the eve of the Trustee's appointment at prices that were substantially below the listing prices. The Trustee is seeking the Court's authorization to terminate or disclaim these sale agreements and re-list the six residential units and related parking and lockers units for sale in addition to the two parking units that are available.

15. The second stage of the development and construction of Phase II was with respect to the Phase II Commercial Units. The Appointment Order authorized the Trustee to complete the existing sale agreements for 18 pre-sold Phase II Commercial Units that were scheduled to close February 17, 2015. Harris Sheaffer LLP ("**Harris Sheaffer**"), condominium law lawyers to JKDC and JKRC, assisted the Trustee in completing these transactions. The status of these closings is detailed below. In addition, there are three additional Phase II Commercial Units that were used as offices by JKDC that the Trustee has been authorized to sell.
16. On January 16, 2015, the registered owner of the land where the Phase II Commercial Units were located was transferred from JKDC to YRSCC 1228. In addition, the single parcel of land was divided into 21 separate parcels that comprise the Phase II Commercial Units. As a result of this amendment, the Phase II Commercial Units now form part of YRSCC 1228 and therefore are managed by PH Property Management & Consulting Inc.

Phase III

17. Phase III was to be the planned development and construction of thirteen (13) freehold townhomes and two (2) single detached homes on vacant lands owned by JKDC. The lands are just south of South Unionville Square, bordered by Helen Avenue to the south, South Unionville Avenue to the north, Kennedy Road, to the west and Garden Drive to the east.

THE TRUSTEE'S ACTIVITIES TO DATE**Steps taken by the Trustee**

18. Since its appointment, the Trustee has:
- (a) opened trust bank accounts at the Bank of Montreal;
 - (b) met with Harris Sheaffer to review closing documentation and any issues related to the 18 pre-sold Phase II Commercial Units that were scheduled to close February 17, 2015;
 - (c) met with the property manager and toured Phase II of the Property, photographing areas where issues had been raised by the purchasers of units scheduled to close February 17, 2015;
 - (d) toured Phases I and III of the Property with JKDC's Senior Service Manager, photographing areas where issues had been raised by the property managers;
 - (e) reviewed the existing insurance coverage provided by Northbridge General Insurance Company. The Trustee added certain unsold units that

were missing and added the Trustee as an additional named insured. The Trustee confirmed that JKDC has paid for the insurance through to December 31, 2015;

- (f) reviewed JKDC's master inventory list of units available for sale in Phases I and II and amended details based on additional information provided;
- (g) contacted utility companies to arrange for billings from February 11, 2015 going forward on unsold units to be sent to the Trustee;
- (h) requested updated accounts payable/holdback information as at February 11, 2015 segregated by Phases I, II and III;
- (i) responded to various enquiries from unsecured and other creditors;
- (j) responded to requests from MPAC;
- (k) reviewed closing documentation, coordinated the deposit of cheques, payment of legal fees and accounting as each of the pre-sold Phase II Commercial Units closed;
- (l) completed, signed and sent Trustee's Certificates to Harris Sheaffer for each unit that closed;
- (m) responded to enquiries from the property managers;
- (n) received numerous legal claims and updated the claims list;

- (o) reviewed ongoing cash requirements and invested funds on hand in term deposits;
- (p) commissioned an appraisal of the vacant lands (Phase III);
- (q) requested proposals from three realtor firms;
- (r) retained HRK Realty Services Ltd. (“HRK”) and Aird & Berlis LLP to resolve an estimated \$1.0 million letter of credit issue;
- (s) devised a protocol with representatives of Tarion Warranty Corporation (“Tarion”) to resolve valid warranty claims;
- (t) requested details of outstanding property taxes owing; and
- (u) posted the Appointment Order, Vesting Orders and other required documentation to the Trustee’s website.

Status of Phase II Commercial Units Scheduled to Close February 17, 2015

19. The Appointment Order authorized the Trustee to complete the existing agreements of purchase and sale for the 18 pre-sold Phase II Commercial Units.
20. These units were scheduled to close on February 17, 2015. However, due to various issues raised by the purchasers, only four units closed on that day. The Trustee worked with the various purchasers, JKDC and Harris Sheaffer to resolve a majority of the outstanding issues.

21. As a result, sales of 16 of the 18 units have been completed. As set out in **Appendix "B"** attached hereto, the Trustee has received net closing proceeds before fees and costs in the sum of \$3,657,291.18.
22. In connection with the sale of the 16 Phase II Commercial Units noted above, JKDC has undertaken to pay 2014 and 2015 property taxes. The purchaser in turn paid JKDC for its share of 2014 property taxes (for the period from the occupancy date to December 31, 2014) and for all of 2015 property taxes on closing. The Trustee is in the process of remitting the amounts it received from the purchasers to the Corporation of the City of Markham ("**City of Markham**").
23. The purchasers of the remaining two units (Unit 92 and Unit 93) were unable to close their sales and therefore default letters were issued. The time periods in the default letters have now expired and as a result these transactions have been formally terminated. The Trustee intends to re-list these units for sale.

Statement of Receipts and Disbursements

24. Attached hereto as **Appendix "C"** is a copy of the Trustee's Statement of Receipts and Disbursements from February 11 to April 10, 2015. As indicated, the net cash on hand in the Trustee's general account totals \$3,583,619.76. This balance does not take into account unpaid Trustee and legal fees.
25. The Trustee has funded operations and expenses to date with the net proceeds from the sale of the 16 Phase I Commercial Units.

HST

26. The Trustee determined that two HST accounts were set up with Canada Revenue Agency (“CRA”) with respect to the SUSQ project: an account for residential unit sales in the name of JKRC, which is discussed in greater detail below, and a JKDC account for all other sales.
27. The Trustee determined that JKDC filed its HST returns monthly. Commencing in December 2014, JKDC started filing its activity under the HST number of David Mady Investments Inc. (“DMII”), as the beneficial owner of JKDC. JKDC management advised the Trustee that starting in 2014, CRA required bare trustee companies, such as JKDC, to file activity under their beneficial owner’s HST number.
28. The Trustee discussed this issue with a representative from Collins Barrow Toronto’s tax group (“CBT Tax”). Based on a review of the agreements in place between JKDC and DMII, CBT Tax confirmed that in accordance with CRA Notice No. 284, a copy of which is attached hereto as **Appendix “D”**, JKDC should be filing its activities under DMII’s HST number, commencing in 2014.
29. The Trustee closed JKDC’s Business Number sub account RT0001 and opened up sub- account RT0002. The Trustee will file JKDC’s returns under RT0002 from February 11, 2015 going forward.
30. JKRC had its own HST account number and was set up to file on an annual basis, with its first return due March 31, 2015 for activities for 2014. The Trustee contacted Harris Sheaffer, who advised that HST collected on units closed was

assigned to JKRC; however, Harris Sheaffer wired all funds collected (including HST) to a JKDC bank account as instructed by JKDC management. Harris Sheaffer further advised that JKDC held title as a nominee and JKRC signed agreements as a nominee of DMII as the beneficial owner of the Property.

31. Based on the agreement between JKRC and DMII and in accordance with CRA Notice No. 24, CBT Tax has confirmed that JKRC should be filing its activities under DMII's HST number, commencing in 2014.
32. The Trustee has closed JKRC's Business Number sub account RT0001. The Trustee intends to file all HST activity under JKDC's RT0002 from February 11, 2015 going forward.

Vacant Land and Primont

33. The Trustee understands that JKDC entered into a Sale Agreement with Primont Homes (Harmony) Inc. ("**Primont**") on November 24, 2011 with respect to the vacant land that was to be developed for Phase III (the "**Primont APS**"). The agreement required JKDC to provide significant servicing, grading and other work to the land within a certain timeline. Several extensions to deadline for completion of the work by JKDC were granted, as provided for in the Primont APS, and at the date of the Trustee's appointment, the final extension was set to expire on March 31, 2015.
34. As the Trustee was not in a position to complete the servicing required under the Primont APS, Chaitons LLP ("**Chaitons**"), counsel to the Trustee, notified

Primont's lawyer that the Trustee intended to terminate the sale and return the deposit to Primont, as is provided for in the Primont APS.

35. Primont, through its lawyer, has informed the Trustee that it wishes to seek a Court order to have the Primont APS specifically performed. A hearing date to consider this matter has been set for May 15, 2015.

Realtors

36. The Trustee requested proposals from three (3) realtor firms that have extensive experience with properties similar to the Property and in the same geographic area. Based on the responses, the Trustee decided to request a proposal from the agent at Tradeworld Realty Inc. ("**Tradeworld**"), who had the existing listing arrangement with JKDC. This agent was very responsive, demonstrated an in depth knowledge of the Property and expressed a keen interest in working with the Trustee going forward. This agent presented some offers to the Trustee before a listing agreement had been signed.
37. The Trustee understands that Tradeworld alleges that it is owed approximately \$2.0 million in commission arrears; however the agent indicated that Tradeworld was prepared to sign an agreement whereby the previous commissions could not be offset against any sales proceeds going forward.
38. At this time the Trustee is negotiating with Tradeworld on the terms of such an agreement and hopes to have the agreement finalized and the remaining units listed as soon as possible.

JKRC

39. Following its appointment, the Trustee became aware that the vendor under sale agreements for residential units is JKRC, notwithstanding that JKDC is the registered owner of the property. Additionally, the Trustee has been informed by Harris Sheaffer that JKRC is the entity registered with Tarion for warranty coverage and this registration needs to be renewed on an annual basis. Tarion has confirmed that the Trustee can take over JKRC's registration.
40. Harris Sheaffer has also advised the Trustee that it is common practice to have this structure (i.e. vendor and registered owner are separate legal entities) for condominium sales.
41. According to the corporate legal structure for the MADY Group, JKRC is a separate legal entity, wholly owned by the same MADY Group entity that owns JKDC. However, JKRC was not an applicant in the proceeding appointing CBTL as Trustee and JKRC is not referred to in the Appointment Order. Accordingly, the Trustee has no power or authority over or in respect of JKRC.
42. The Trustee has been informed by JKRC management that JKRC is a single purpose entity that was established solely for the purpose set out above, and has no other business and no assets.
43. So that the Trustee can complete its mandate under the Appointment Order with respect to the Property, the Trustee needs to be able to execute, issue and endorse documents of whatever nature in respect of the Property in the name and on behalf of JKRC, and take all necessary steps in the name of and on

behalf of JKRC in respect of the Property, for any purpose pursuant to the Appointment Order.

44. In the event that such authority is granted by the Court, all net sale proceeds with respect to the sale of residential units, lockers and parking units will be paid to the Trustee.

Repairs and Maintenance Issues

45. The residential units are covered by Tarion warranty protections under the Ontario *New Home Warranties Plan Act* ("**ONHWP Act**"). The warranty obligations covered by Tarion fall into three categories: delayed occupancy claims, common element deficiencies and unit specific deficiencies. Once deficiencies are reported to Tarion, they are investigated and if determined to be valid, Tarion pays and collects reimbursement from the trust funds held by Westmount, agent for the Tarion bond issuer, Aviva. Tarion charges penalties to JKRC for any claims its pays.
46. The Trustee retained Mr. A. Hanoman, JKDC's former Senior Service Manager, on an as needed consultant basis to assist with reviewing and making recommendations regarding maintenance and repair issues and Tarion deficiency claims.
47. The Trustee has now made arrangements to be given 30-45 days to rectify deficiencies reported and validated by Tarion before Tarion steps in to pay. Mr. Hanoman has provided the Trustee with a report detailing potential claims and is

working with the Trustee to make arrangements to have valid claims rectified before Tarion becomes involved.

Turner Fleischer

48. The Trustee understands that certain clearance certificates are required by Tarion in order for a final completion letter for the residential condominium to be issued. One of the outstanding clearance certificates is from the architectural firm, Turner Fleischer Architects Inc. ("**Turner Fleischer**"). The Trustee contacted Turner Fleischer to request this certificate and was advised that they would not proceed to do any further work to issue the requested certificate until outstanding arrears were paid in full.
49. Turner Fleischer claims they are owed \$41,233.02 as compared to \$41,430.77 according to JKDC's records and they will not accept a lower amount.
50. As the Trustee requires the clearance certificate from Turner Fleischer to obtain the final completion letter from Tarion, it intends to pay the outstanding arrears claimed by Turner Fleischer.

TERMINATION OR DISCLAIMER OF RESIDENTIAL SALE AGREEMENTS

Units Sold For No Consideration

51. Pursuant to an agreement of purchase and sale dated December 9, 2014, as amended (the "**827 APS**"), Brody Wall System Ltd. ("**Brody**") agreed to purchase Unit 827 ("**Unit 1503**") in the SUSQ project from JKRC. The 827 APS lists a purchase price of \$230,000. A copy of the 827 APS with all schedules and amendments is attached as **Appendix "E"**.

52. Pursuant to an agreement of purchase and sale dated October 3, 2014, as amended (the "**1216 APS**"), Diri-Kipli Corp. ("**Diri-Kipli**") agreed to purchase Unit 1216 ("**Unit 1216**") in the SUSQ project from JKRC. The 827 APS lists a purchase price of \$265,000. A copy of the 1216 APS with all schedules and amendments is attached as **Appendix "F"**.
53. Pursuant to an agreement of purchase and sale dated April 29, 2014, as amended (the "**1521 APS**"), Dircam Properties Limited ("**Dircam**") agreed to purchase Unit 1521 ("**Unit 1521**") in the SUSQ project from JKRC. The 1521 APS lists a purchase price of \$274,900. A copy of the 1521 APS with all schedules and amendments is attached as **Appendix "G"**.
54. Pursuant to an agreement of purchase and sale dated October 3, 2014, as amended (the "**1527 APS**", and together with the 827 APS, the 1216 APS and the 1521 APS, the "**Lien Claimant Sale Agreements**"), Diri-Kipli agreed to purchase Unit 1527 ("**Unit 1527**", and together with Unit 827, Unit 1216 and Unit 1521, the "**Residential Units**") in the SUSQ project from JKRC. The 1527 APS lists a purchase price of \$265,000. A copy of the 1527 APS with all schedules and amendments is attached as **Appendix "H"**.
55. Schedule "X" to each of the Lien Claimant Sale Agreements provides that the consideration for the purchase of the Residential Units is the partial satisfaction of the indebtedness of JKDC to Brody, Diri-Kipli and Dircam respectively. As a result, no cash consideration is contemplated in the Lien Claimant Sale Agreements.

56. Brody is a construction contractor that performed work on the SUSQ project and other MADY Group projects. According to the books and records of JKDC, Brody is owed \$81,529. Brody registered a construction lien against the Property on January 21, 2015 in the amount of \$82,529, a copy of which is attached as **Appendix "I"**.
57. Dircam is a construction contractor that performed work on the SUSQ project. According to the books and records of JKDC, Dircam is owed \$579,661.85. Dircam registered a construction lien against the Property on December 30, 2014 in the amount of \$822,796.98, a copy of which is attached as **Appendix "J"**.
58. Under the 1216 APS and the 1527 APS, Dircam assigned part of its debt to Diri-Kipli.
59. In the Trustee's view, the sale of the Residential Units to Brody, Diri-Kipli and Dircam pursuant to the Lien Claimant Sale Agreement, if completed, would result in the lien claimants obtaining an unjust preference over other creditors of JKDC. The Trustee is advised by its counsel that under the *CLA*, a conveyance of property to a party that has a lien claim over the property is void against all other lien claimants. As a result the Trustee is seeking the Court's authorization to terminate or disclaim the Lien Claimant Sale Agreements.
60. In the event that the Court authorizes the Trustee to terminate or disclaim the Lien Claimant Sale Agreements, the Trustee intends to market the Residential Units for sale in order to realize the maximum value for all stakeholders.

Units Sold Below Fair Market Value

61. On February 23, 2015, the Trustee was informed by Harris Sheaffer that they had received documentation for the sale of two (2) residential units that were entered into by JKRC on February 9, 2015 and scheduled to close on March 16, 2015. These units were not on the list of pre-sold units that the Trustee was authorized to close pursuant to the Appointment Order, and the Trustee was not previously aware of these sales.
62. The sale agreements for the two residential units in question are as follows:
- (a) Agreement of Purchase and Sale dated February 9, 2015 between JKRC and Roger James Dol for the sale of Unit 218 ("**Unit 218**") for the purchase price of \$200,000 and a deposit of \$5,000 (the "**Unit 218 APS**"), a copy of which is attached hereto as **Appendix "K"**; and
 - (b) Agreement of Purchase and Sale dated February 9, 2015 between JKRC and Anna Gayle Andrew for the sale of Unit 117 ("**Unit 117**") for the purchase price of \$200,000 and a deposit of \$5,000 (the "**Unit 117 APS**"), a copy of which is attached hereto as **Appendix "L"**.
63. Based on discussions with representatives of JKDC, the Trustee understands that Unit 117 had previously been listed for sale for \$270,900 and Unit 218 had been listed for sale for \$271,900.
64. The Trustee:

- (a) has been informed by MADY Group management that the spouse of Anna Andrew is a former employee of JKRC, and Roger James Dol is a friend or acquaintance of the Andrews;
 - (b) was approached by a realtor that indicated that they could bring forward an offer for Unit 117 at an amount that was materially higher than the purchase price under the Unit 117 APS; and
 - (c) has been informed by a realtor that the last sales of similar residential units took place in the Fall of 2014 at substantially higher prices.
65. Chaitons, as counsel to the Trustee, sent letters to the purchasers dated March 12, 2015, and informed the Purchasers that the Sale Agreements did not represent fair market value for the units and that the Trustee would be seeking Court authorization to terminate the sale agreements. Copies of these letters are attached as **Appendix "M"** hereto.
66. Chaitons has been informed that the purchasers have retained counsel and intend to oppose any motion by the Trustee to terminate the agreements and will seek an order compelling the Trustee to complete the sale agreements.
67. Given the facts set out above, and given that the sale agreements were executed by JKRC at a time when JKRC and JKDC were insolvent and only two days prior to the hearing of JKDC's application for the appointment of the Trustee, the Trustee is of the view that such transactions, if completed, would constitute improvident sales at amounts materially below fair market value and would be

prejudicial to the mortgagees and the lien claimants that have the economic interest in the property.

68. As a result the Trustee is seeking the Court's authorization to terminate or disclaim the sale agreements. In the event that the Court authorizes the Trustee to terminate or disclaim the sale agreements, the Trustee intends to market the units for sale in order to realize the maximum value for all stakeholders.

TRANSFER OF THE TERRACE UNIT TO YRSCC 1228

69. Subsequent to its appointment, the Trustee was informed that in addition to the Property that is subject to the Appointment Order, JKDC is also owner of land and premises in the SUSQ project bearing PIN 29759-0749, a copy of which is attached hereto as **Appendix "N"**.
70. The Trustee has been advised that this property represents Unit 1 on Level 3 of the residential condominium tower and is an outdoor terrace unit intended for use by the residential unit owners (the "**Terrace Unit**").
71. Pursuant to Article 4.8 of the Condominium Declaration, JKDC is to transfer title to the Terrace Unit to YRSCC 1265 after it has been registered. The Trustee has been informed by Harris Sheaffer that this transfer has not occurred to date.
72. As a result, the Trustee is requesting that the Court grant an order vesting title to the Terrace Unit to YRSCC 1265 free and clear of all encumbrances and claims, in accordance with the Condominium Declaration.

CLAIMS AGAINST THE PROPERTY

73. As at March 31, 2015, 19 construction liens, totalling approximately \$3.77 million had been registered across the Property with respect to services and materials supplied to the Property.

74. The following mortgages have also been registered against the Property:

	Phase I Commercial	Phase II Residential	Phase II Commercial	Phase III Vacant Land
Aviva	\$30.0 million	\$16.5 million	i) \$30.0 million ii) \$16.5 million ¹	N/A
Laurentian Bank	\$3.6 million ² \$2.4 million ³	\$45.0 million ⁴	\$45.0 million	\$45.0 million
MarshallZehr	\$8.0 million ⁵	N/A	N/A	N/A
Am-Stat	N/A	\$10.0 million	\$10.0 million	\$10.0 million

Aviva

75. Aviva's charge/mortgage is in connection with deposit facilities and a Tarion Bond required to satisfy and secure obligations under the *ONHWP Act*. JKRC

¹ Two separate mortgages have been registered.

² Mortgage is with respect to is over 19 of 27 units

³ *Ibid.*

⁴ Mortgage is with respect to all but three of the units.

⁵ *Supra* note 1.

also entered into an indemnity agreement to indemnify Aviva from any losses or claims it may suffer in connection with the issuance of the bond.

76. Westmount Guarantee is the General Agent for Aviva regarding Tarion, and in an email dated March 12, 2015, advised the Trustee of the following security held by Aviva:
- (a) \$250,000 Tarion Bond outstanding for the residential units in Phase I;
 - (b) \$5,060,000 Tarion Bond outstanding for the residential units in Phase II;
 - (c) Collateral mortgage registered on the unsold/unclosed commercial units, currently in first position on some units, in second on others;
 - (d) Collateral mortgage registered on the unsold/unclosed residential units, currently in first position; and
 - (e) approximately \$800,000 is held in a trust account as security against the outstanding bonds.
77. Westmount also advises that Tarion has started to pay claims and will look to recover under the Tarion Bonds. Specifically, they propose to use the cash security they hold to pay claims first and then look to their mortgage security to cover any claims, unpaid fees, premiums and legal costs above the \$800,000 of cash security held in trust. The Trustee's protocol with Tarion is intended to minimize draws against the cash security is detailed below.

Laurentian Bank

78. The Trustee is advised that JKDC has fully repaid Laurentian Bank (“**Laurentian**”) in connection with the \$45.0 million charge from net sale proceeds from the sale of residential units in Phase II. In addition, the \$3.6 million and \$2.4 million Laurentian charges are collateral mortgages that secure obligations of 144 Park Ltd. (“**144 Park**”), a related MADY Group company, under a bridge loan facility from September 2014.
79. JKDC was required to post letters of credit (“**LCs**”) which were supported by cash collateral. LCs were issued by Laurentian in favour of the City of Markham and The Regional Municipality of York (“**York Region**”) relating to obligations JKDC had with respect to completing certain works pursuant to site plan and construction agreements.
80. The Trustee was advised that Laurentian is holding approximately \$5.0 million in cash collateral in connection with LCs related to the above- noted obligations.
81. The Trustee obtained copies of the LCs from Laurentian’s legal counsel and determined that \$3,038,273.54 was outstanding as compared to management’s estimate of \$5.0 million. The primary difference relates to an LC that was drawn on for \$2,077,408.07 by the City of Markham on January 21, 2015 pursuant to an agreement related to JKDC’s obligation for “cash-in-lieu of parkland”.
82. The Trustee contacted JKDC’s management who advised that JKDC’s position is that the above-noted LC draw was overstated by approximately \$1.0 million and that JKDC had previously identified this discrepancy, prepared an analysis in

support of its position and retained Aird & Berlis to draft a letter to the City of Markham detailing its position. This letter was never sent.

83. The Trustee has retained Mr. Hal Kersey of HRK, the former JKDC employee who handled planning issues and was involved in identifying and trying to resolve the discrepancy noted above. The Trustee has also retained Aird & Berlis and instructed them to finalize and send the above-noted letter to the solicitor at the City of Markham.
84. Mr. Kersey is also working with the Trustee to determine what is required to complete JKDC's obligations under these agreements in order to cancel the related LC and release the underlying cash collateral.

Am-Stat Corporation

85. Am-Stat Corporation was owed \$5,080,957.38 as of February 19, 2015. Based on the *per diem* rate of \$1,670.45, the Trustee calculates a balance owing of \$5,147,775.38 as at March 31, 2015.

MarshallZehr

86. 144 Park is indebted to MarshallZehr and this indebtedness is secured by a mortgage over Phase I Commercial Units of the Property. MarshallZehr was owed \$3,320,808.64 as of February 13, 2015. Based on a *per diem* rate of \$1,273.73 and a monthly administration fee of \$5,000, the Trustee calculates a balance owing of \$3,384,400.22 as at March 31, 2015.

CLAIMS PROCESS

87. As a result of the existence of the construction liens, and the need for all construction liens against the Property to be asserted so that the Trustee can make a recommendation to the Court as to the parties entitled to the net sale proceeds, it is necessary, in the Trustee's view, to establish a claims process for the submission, review and determination of all *CLA* lien claims for the provision of services and materials prior to February 11, 2015 with respect to the Property, and that this process be the exclusive process by which all construction lien claims and their priority are determined.
88. The Trustee is proposing the following construction lien claim process be approved by the Court:
- (a) a claims bar date of May 29, 2015 be established, by which date all lien claimants must provide to the Trustee specified documentation with respect to their claims, otherwise their claims are forever barred and extinguished;
 - (b) the Trustee shall administer the claim process, including the review, determination, acceptance, revision, disallowance and/or settlement of any claim;
 - (c) the Trustee shall accept, revise and/or disallow a claim by delivering a notice of determination to the claimant including the reasons for such determination;

- (d) any determination or disposition by the Trustee shall have the same force and effect as if made by a court of competent jurisdiction pursuant to the *CLA*;
- (e) a claimant may appeal the revision and/or disallowance of its claims as set out in a notice of determination by delivering a dispute notice to the Trustee within 10 days of delivery of the notice of determination from the Trustee. Any claimant who does not deliver a dispute notice within 10 days of delivery of the notice of determination with respect to its claim shall be deemed to have accepted the determination as set out in the notice of determination, which shall be final and binding; and
- (f) any appeal of a notice of determination as set out in a dispute notice for which the Trustee cannot reach a consensus with the claimant, shall either be referred to a claims officer to be appointed by further order of the Court in recommendation by the Trustee, or be heard by the Court. Any appeal hearing before the claims officer shall be conducted as a hearing *de novo* and any appeal of any decision of the claims officer shall be heard by this Court on a timetable approved by this Court.

89. The Trustee is of the view that the construction lien claim process will allow for a timely and cost effective adjudication of the claims of the construction lien claimants, and is in the best interest of all of JKDC's stakeholders.

TRUSTEE'S REQUEST TO THE COURT

90. The Trustee respectfully requests that this Court issue Orders:

- (a) approving the First Report and the conduct and activities of the Trustee described therein;
- (b) authorizing and empowering the Trustee to execute, issue and endorse documents of whatever nature in respect of the Property in the name and on behalf of JKRC, and to take all necessary steps in the name and on behalf of JKRC in respect of the Property, for any purpose pursuant to the Appointment Order;
- (c) authorizing the Trustee to terminate or disclaim the Lien Claimant Sale Agreements that were entered into by JKRC with construction lien claimants prior to the commencement of this proceeding for no cash consideration and at a time when JKRC and JKDC were insolvent;
- (d) authorizing the Trustee to terminate or disclaim two (2) residential Agreements of Purchase and Sale that were entered into by JKRC on the eve of the Trustee's appointment for purchase prices that were substantially below the listing prices and at a time when JKDC and JKRC were insolvent;
- (e) vesting the right, title and interest of JKDC in the Terrace Unit to York YRSCC No. 1265 pursuant to the Condominium Declaration, free and clear of all encumbrances and claims; and

- (f) approving a claims process for the submission, review and determination of all lien claims pursuant to the *CLA* for the provision of services and materials prior to February 11, 2015 with respect to the Property.

All of which is respectfully submitted to this Court as of this 23rd day of April, 2015.

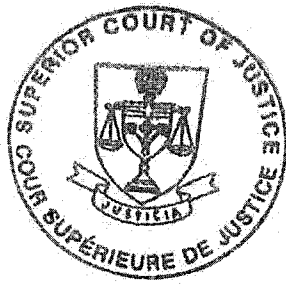
COLLINS BARROW TORONTO LIMITED

In its capacity as Trustee under the *Construction Lien Act* of Jade-Kennedy Development Corporation as owner of South Unionville Square and not in its personal capacity

Per: 

Bryan A. Tannenbaum, FCPA, FCA, FCIRP
President

APPENDIX "A"



**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE Mr.) WEDNESDAY, THE 11th DAY
)
JUSTICE P. HILL) OF FEBRUARY, 2015

**IN THE MATTER OF THE CONSTRUCTION LIEN ACT,
R.S.O. 1990, c. C.30, AS AMENDED**

**AND IN THE MATTER OF AN APPLICATION MADE BY
JADE-KENNEDY DEVELOPMENT CORPORATION
FOR THE APPOINTMENT OF A TRUSTEE UNDER SECTION 68(1) OF THE
CONSTRUCTION LIEN ACT, R.S.O. 1990, c. C.30, AS AMENDED**

ORDER
(appointing trustee)

THIS APPLICATION made by the Applicant, Jade-Kennedy Development Corporation, for an Order pursuant to section 68(1) of the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended (the "CLA") appointing Collins Barrow Toronto Limited as trustee (the "Trustee") of the Property (as defined below), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Charles Mady sworn February 5, 2015 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for those other

parties listed on the Counsel Slip, no one else appearing although duly served as appears from the affidavit of service of Sam Rappos sworn February 9, 2015, and on reading the consent of Collins Barrow Toronto Limited to act as the Trustee,

SERVICE

1. **THIS COURT ORDERS** that the time for and manner of service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 68(1) of the CLA, Collins Barrow Toronto Limited is hereby appointed Trustee, without security, of the lands and premises legally described in Schedule "A" attached hereto, and comprised of, among other things, commercial/retail and residential condominium units, and vacant lands, commonly known as South Unionville Square (the "Property").

TRUSTEE'S POWERS

3. **THIS COURT ORDERS** that the Trustee is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Trustee is hereby expressly empowered and authorized to do any of the following where the Trustee considers it necessary or desirable:

- (a) to act as receiver and manager of the Property;
- (b) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (c) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the engaging of independent security personnel, and the placement of such insurance coverage as may be necessary or desirable;
- (d) to engage consultants, agents, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Trustee's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, or other assets to assist with the exercise of the Trustee's powers and duties, including without limitation those conferred by this Order;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Applicant in respect of the Property, and to exercise all remedies of the Applicant in collecting such monies, including, without limitation, to enforce any security held by the Applicant;
- (g) to settle, extend or compromise any indebtedness owing to the Applicant;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of the Property, whether in the Trustee's name or in the name and on behalf of the Applicant, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the

Applicant, the Property or the Trustee, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to complete the existing agreements of purchase and sale reproduced in the Confidential Appendix "1" for the 18 pre-sold South Unionville Square Phase II commercial/retail condominium units that forms part of the Property (collectively, the "Sold Units");
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Trustee in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof, with the approval of this Court;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Trustee deems appropriate on all matters relating to the Property, and to share information, subject to such terms as to confidentiality as the Trustee deems advisable;

subject to solicitor and client privilege

UB

- (o) to register a copy of this Order and any other Orders in respect of the Property against title to the Property;
- (p) to apply for any permits, licences, approvals, declarations, or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Trustee, in the name of the Applicant; and
- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Trustee takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Applicant, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE TRUSTEE

4. **THIS COURT ORDERS** that (i) the Applicant, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall grant immediate and continued access to the Property to the Trustee.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Trustee of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or

affairs of the Applicant, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Trustee or permit the Trustee to make, retain and take away copies thereof and grant to the Trustee unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Trustee due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Trustee for the purpose of allowing the Trustee to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Trustee in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Trustee. Further, for the purposes of this paragraph, all Persons shall provide the Trustee with all such assistance in gaining immediate access to the information in the Records as the Trustee may in its discretion require including providing the Trustee with instructions on the use of any computer or other system and providing the Trustee with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE TRUSTEE

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Trustee except with the written consent of the Trustee or with leave of this Court.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

8. **THIS COURT ORDERS** that, subject to the provisions of paragraph 9, no Proceeding against or in respect of the Applicant or the Property, including without limitation any Proceeding commenced under the CLA against the Applicant or mortgagees of the Property, shall be commenced or continued except with the written consent of the Trustee or with leave of this Court and any and all such Proceedings currently under way are hereby stayed and suspended pending further Order of this Court. Any request by construction lien claimants to mortgagees pursuant to section 39 of the CLA for particulars or information with respect to outstanding encumbrances, shall be directed to, and responded by, the Trustee upon being provided the requested information by the mortgagees.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Applicant, the Trustee, or affecting the Property, are hereby stayed and suspended, except with the written consent of the Trustee or leave of this Court, provided that nothing in this paragraph shall (i) empower the Trustee or the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) exempt the Trustee or the Applicant from compliance with statutory or regulatory provisions relating to health, safety or the environment, or (iii) prevent the registration of claims for lien, the issuance of statements of claim and the registration of certificates of action by

construction lien claimants, provided that no further steps to enforce the liens may be taken by the lien claimants without consent of the Applicant and Trustee or leave of this Court.

NO INTERFERENCE WITH THE TRUSTEE

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, without written consent of the Trustee or leave of this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

11. **THIS COURT ORDERS** that no Proceeding may be commenced or continued against any of the former or current directors, officers or management of the Applicant, and any person, including an employee or agent of the Applicant, who had effective control of the Applicant or its relevant activities, with respect to any claim against such persons that arose before the date hereof and whereby such persons are alleged under any law to be liable, including the CLA, except with the prior written consent of the Trustee or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, equipment, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Applicant are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Trustee, and that the Trustee shall be entitled to the continued use of the

Applicant's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Trustee in accordance with arrangements as may be agreed upon by the supplier or service provider and the Trustee, or as may be ordered by this Court.

TRUSTEE TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Trustee from and after the making of this Order from any source whatsoever, including without limitation the sale(s) of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Trustee (the "Post Trusteeship Accounts") and the monies standing to the credit of such Post Trusteeship Accounts from time to time, net of any disbursements provided for herein, shall be held by the Trustee to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Applicant shall remain the employees of the Applicant until such time as the Trustee, on the Applicant's behalf, may terminate the employment of such employees. The Trustee shall not be liable for any employee-related liabilities, including any successor employer liabilities, other than such amounts as the Trustee may specifically agree in writing to pay.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Trustee shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Trustee, or in the alternative destroy all such information. The purchaser of any part of the Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Trustee, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Trustee to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the Ontario

Water Resources Act, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Trustee shall not, as a result of this Order or anything done in pursuance of the Trustee's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE TRUSTEE'S LIABILITY

17. **THIS COURT ORDERS** that the Trustee shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Trustee by any applicable legislation.

ACCOUNTS

18. **THIS COURT ORDERS** that the Trustee, counsel to the Trustee and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Trustee, counsel to the Trustee and counsel to the Applicant shall be entitled to and are hereby granted a charge (the "**Administration Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Administration Charge shall form a first charge on the Property in priority to all any and all existing and future security interests (whether contractual, statutory, or otherwise), mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, construction liens, encumbrances, claims of secured creditors (whether contractual, statutory or

otherwise), executions, or charges, whether or not they have attached or been perfected, registered or filed (collectively, the "Claims") in favour of any Person.

19. **THIS COURT ORDERS** that the Trustee and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Trustee and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that the Trustee shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Trustee, its counsel, or counsel to the Applicant, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

BORROWING POWERS

21. **THIS COURT ORDERS** that the Trustee be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Trustee by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Trustee's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all Claims in favour of any Person, but subordinate in priority to the Administration Charge.

22. **THIS COURT ORDERS** that neither the Trustee's Borrowings Charge nor any other security granted by the Trustee in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Trustee is at liberty and authorized to issue certificates substantially in the form of Schedule "B" attached hereto (the "Trustee's Certificates") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Trustee pursuant to this Order or any further order of this Court and any and all Trustee's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Trustee's Certificates.

RETENTION OF LAWYERS

25. **THIS COURT ORDERS** that the Trustee may retain solicitors to represent and advise the Trustee in connection with the exercise of the Trustee's powers and duties, including without limitation those conferred by this Order. Such solicitors may include Chaitons LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Trustee shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists, or may exist.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service->

protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <http://www.collinsbarrow.com/en/toronto-ontario/SUSQ>.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Trustee is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

28. **THIS COURT ORDERS** that the Applicant, the Trustee and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicant's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

SEALING

29. **THIS COURT ORDERS** that Confidential Appendix "1" is hereby sealed and shall not form part of the public record until further order of the Court.

** completion of the last transaction **

UP

GENERAL

30. **THIS COURT ORDERS** that the Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. **THIS COURT ORDERS** that nothing in this Order shall prevent the Trustee from acting as receiver or trustee in bankruptcy of the Applicant.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Trustee and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

[Handwritten Signature]

ENTERED AT / ENREGISTRÉ À TORONTO
ON / ENREGISTRÉ LE / DANS LE REGISTRE NO.

FEB 11 2015

MB

SCHEDULE "A"

Phase I Commercial Units

PIN	Property Description
29759-0060 (LT)	Unit 60, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0073 (LT)	Unit 73, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0074 (LT)	Unit 74, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0075 (LT)	Unit 75, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0403 (LT)	Unit 49, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0492 (LT)	Unit 138, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0500 (LT)	Unit 146, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0528 (LT)	Unit 146, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0535 (LT)	Unit 181, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0563 (LT)	Unit 209, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0604 (LT)	Unit 250, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham

PIN	Property Description
29759-0670 (LT)	Unit 316, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0673 (LT)	Unit 319, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0702 (LT)	Unit 348, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0714 (LT)	Unit 360, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0715 (LT)	Unit 361, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0742 (LT)	Unit 388, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0743 (LT)	Unit 389, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0744 (LT)	Unit 390, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0745 (LT)	Unit 391, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0746 (LT)	Unit 392, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0747 (LT)	Unit 393, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0748 (LT)	Unit 394, Level 2, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham

PIN	Property Description
29759-0774 (LT)	Unit 25, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0805 (LT)	Unit 56, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-0806 (LT)	Unit 57, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham
29759-08014 (LT)	Unit 65, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to easements as set out in Schedule A as in YR1966697; City of Markham

Unsold Residential Units

PIN	Property Description
29796-0007 (LT)	Unit 7, Level 1, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0024 (LT)	Unit 14, Level 2, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0146 (LT)	Unit 22, Level 7, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0223 (LT)	Unit 11, Level 11, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0247 (LT)	Unit 15, Level 12, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0250 (LT)	Unit 18, Level 12, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham

- 4 -

PIN	Property Description
29796-0255 (LT)	Unit 4, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0277 (LT)	Unit 26, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0301 (LT)	Unit 50, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0331 (LT)	Unit 80, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0376 (LT)	Unit 125, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0429 (LT)	Unit 178, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0430 (LT)	Unit 179, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0439 (LT)	Unit 188, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0533 (LT)	Unit 282, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0578 (LT)	Unit 327, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0581 (LT)	Unit 330, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0584 (LT)	Unit 333, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham

PIN	Property Description
29796-0586 (LT)	Unit 335, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham
29796-0624 (LT)	Unit 373, Level B, York Region Standard Condominium Plan No. 1265 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR2185723; City of Markham

Phase II Commercial Units

PIN	Property Description
29759-0834 (LT)	Unit 355, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0835 (LT)	Unit 356, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0836 (LT)	Unit 357, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0837 (LT)	Unit 358, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0838 (LT)	Unit 359, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0839 (LT)	Unit 360, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0840 (LT)	Unit 361, Level 1, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0841 (LT)	Unit 85, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham

PIN	Property Description
29759-0842 (LT)	Unit 86, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0843 (LT)	Unit 87, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0844 (LT)	Unit 88, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0845 (LT)	Unit 89, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0846 (LT)	Unit 90, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0847 (LT)	Unit 91, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0848 (LT)	Unit 92, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0849 (LT)	Unit 93, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0850 (LT)	Unit 94, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0851 (LT)	Unit 95, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0852 (LT)	Unit 96, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham
29759-0853 (LT)	Unit 97, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham

PIN	Property Description
29759-0854 (LT)	Unit 98, Level A, York Region Standard Condominium Plan No. 1228 and its Appurtenant interest; Subject to and together with easements as set out in Schedule A as in YR1966697; City of Markham

Vacant Lands

PIN	Property Description
02963-2965 (LT)	Pt Lt 2 PL 2196 Markham, Pt 9 65R27668 ; T/W Row Over Pt Lt 2 PL 2196 Markham, Pts 10, 11 & 12, 65R27668, until such time as said Pts 10, 11 & 12, 65R27668 have been dedicated as part of public highway, as in YR623430 ;; Town of Markham
02963-2972 (LT)	Pt Lt 2 PL 2196 Markham, Pt 8 65R27668 ; T/W Row Over Pt Lt 2 PL 2196 Markham, Pts 2, 3, 5, 6 & 7, 65R27668, until such time as said Pts 2, 3, 5, 6 & 7, 65R27668 have been dedicated as part of public highway, as in YR623430 ;; Town of Markham
02963-3571 (LT)	Pt Lt 2 PL 2196, Being Pts 2 & 3 PL 65R33603 ;; Town of Markham
02963-3579 (LT)	Part Lot 1 Plan 2196, Pts 1 and 2 on 65R33243.; Town of Markham
02963-3587 (LT)	Pt Lt 2 PL 2196, Pt 10 65R33243, S/T Easement in Gross, as in YR767057 ;; Town of Markham

SCHEDULE "B"

TRUSTEE CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Collins Barrow Toronto Limited, the trustee (the "Trustee") of the Property appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 11th day of February, 2015 (the "Order") made in an application having Court file number __-CL-_____, has received as such Trustee from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Trustee is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Trustee pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the Claims (as defined in the Order) of any other person, but subject to the priority of the charges set out in the Order, and the right of the Trustee to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Trustee to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Trustee to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Trustee does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

COLLINS BARROW TORONTO LIMITED,
solely in its capacity as Trustee of the Property,
and not in its personal capacity

Per: _____
Name:
Title:

IN THE MATTER OF THE CONSTRUCTION LIEN ACT, R.S.O. 1990, c. C.30, AS AMENDED

AND IN THE MATTER OF AN APPLICATION MADE BY JADE-KENNEDY DEVELOPMENT CORPORATION

FOR THE APPOINTMENT OF A TRUSTEE UNDER SECTION 68(1)

OF THE CONSTRUCTION LIEN ACT, R.S.O. 1990, c. C.30, AS AMENDED

Court File No. CV-15-10882-00 CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

ORDER
(appointment of a trustee)

CHAITONS LLP
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**Lawyers for the Applicant,
Jade-Kennedy Development Corporation**

APPENDIX "B"

Collins Barrow Toronto Limited

Court Appointed Construction Lien Trustee
 Jade-Kennedy Development Corporation
 Proceeds from Units Scheduled to Close
 February 17, 2015

Purchaser Name	Unit #	Closing Date	Total Proceeds Received	Common Expense (1)	Cheque from Harris Sheaffer	2014		2015 Realty Taxes collected (2)	2014/15 Realty Taxes owing by Vendor (2)	Net Closing Proceeds before fees/costs
						Realty Taxes collected (2)	Realty Taxes collected (2)			
2452252 Ontario Ltd	Unit 95/96, Level A	Feb. 17/15	\$320,137.99	\$1,349.11	\$318,788.88	\$1,557.08	\$7,851.96	\$5,920.98	\$303,458.86	
Miei-Lan Wu	Unit 97/98, Level A	Feb. 17/15	274,988.20	1,306.68	273,681.52	1,482.85	7,477.65	5,638.73	259,082.29	
Wai Sze Yip	Unit 357, Level 1	Feb. 17/15	283,481.64	839.22	282,642.42	1,345.03	6,782.64	5,114.64	269,400.11	
Total proceeds from 5 units		Feb. 17/15	\$ 878,607.83	3495.01	875,112.82	4,384.96	22,112.25	16,674.35	\$831,941.26	
2438190 Ontario Corporation	Unit 358, Level 1	Feb. 20/15	394,468.32	1,112.73	393,355.59	1,779.68	8,974.51	6,767.48	375,833.92	
1808718 Ontario Ltd.	Unit 86/87, Level A	Feb. 24/15	358,014.64	1,552.27	356,462.37	1,117.28	8,920.77	7,378.69	339,045.63	
Xiao Lin Lin	Unit 356, Level 1	Feb. 25/15	215,973.19	695.32	215,277.87	1,112.08	5,607.96	4,228.84	204,328.99	
K. Y. Woo/A. & W. Lam	Unit 88/89, Level A	Feb. 27/15	441,631.66	1,552.27	440,079.39	1,047.45	8,920.77	7,448.52	422,662.65	
Y.Y. Chan, M. Chan, W. K. Woo	Unit 90/91, Level A	Mar. 9/15	490,856.03	2,701.32	488,154.71	1,162.01	9,277.95	7,674.13	470,040.62	
2453408 Ontario Ltd.	Unit 94, Level A	Mar. 9/15	275,926.81		275,926.81	1,209.80	6,100.71	4,600.40	264,015.90	
Jin Zhang	Unit 359, Level 1	Mar. 20/15	545,280.23	1,420.46	543,859.77	1,906.63	9,614.66	7,250.19	525,088.29	
Chunyu Zhou	Unit 355, Level 1	Apr. 7/15	230,848.87	400.99	230,447.88	0.00	4,505.90	1,608.06	224,333.92	
Total as at Apr. 9/15			\$3,831,607.58	\$12,930.37	\$3,818,677.21	\$13,719.89	\$84,035.48	\$63,630.66	\$3,657,291.18	

Notes

- The vendor is responsible to pay common area charges to closing. Closing proceeds were adjusted for this.
- As per the Statements of Adjustments, the vendor has undertaken to pay 2014 and 2015 realty taxes. The Purchaser has remitted its share to the Trustee as part of the closing proceeds to be held in trust. The Trustee is holding these amounts in a separate bank account to be remitted to the City. In addition to the amounts collected from the purchaser, the vendor is required to pay the balance of the amount owing for 2014.

The above noted information has been extracted from the final Statements of Adjustments issued by Harris Sheaffer LLP on closing

APPENDIX “C”

Collins Barrow Toronto Limited
Court Appointed Construction Lien Trustee
of Jade-Kennedy Development Corporation
Statement of Receipts and Disbursements
For the period February 11, 2015 to April 10, 2015

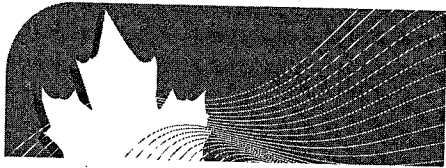
Notes

Receipts		
Proceeds from sales of 16 units	\$3,831,607.58	
Total receipts	<u>\$3,831,607.58</u>	
Disbursements		
Realty Taxes collected in trust	\$97,755.37	1
Trustee fees	55,908.50	
Legal fees and disbursements	41,177.70	
Delayed Occupancy Payments	15,000.00	
HST paid	13,772.78	
Common Area Expenses	12,930.37	
Wages	4,695.86	
Repairs and Maintenance	3,812.24	
Appraisal fees	2,595.00	
ASCEND licenses	340.00	
Total disbursements	<u>\$247,987.82</u>	
Excess of Receipts over Disbursements	<u>\$3,583,619.76</u>	2

Notes

1. Realty taxes collected from purchasers are held in a separate bank account
2. \$3,180,000 is invested in term deposits at The Bank of Montreal

APPENDIX “D”



Bare Trusts, Nominee Corporations and Joint Ventures

For GST/HST purposes, a joint venture is not a “person”. Therefore, a joint venture cannot register and account for the GST/HST in its own right. However, section 273 of the *Excise Tax Act* provides for an election under which participants in certain joint ventures can elect for one participant that is a GST/HST registrant to be the “operator”. Where a valid election is made, the operator accounts for the GST/HST collectible on taxable supplies made by the operator on behalf of the other participants. The operator also claims any input tax credits in relation to the expenses incurred by the operator on behalf of the other participants in respect of the joint venture activities.

GST/HST Policy Statement P-106, *Administrative Definition of a “Participant” in a Joint Venture*, states the CRA’s administrative definition of “participant” for purposes of section 273. In order to be an operator of a joint venture for purposes of the election, a registrant must first be considered a participant in the joint venture. As stated in the policy statement a “participant” means:

- (a) a person who, under a joint venture agreement evidenced in writing, makes an investment by contributing resources and takes a proportionate share of any revenue or incurs a proportionate share of the losses from the joint venture activities; or
- (b) a person, without a financial interest, who is designated as the operator of the joint venture under an agreement in writing and is responsible for the managerial or operational control of the joint venture.

For a person to be considered to have managerial or operational control of a joint venture the person must have the authority to manage the joint venture’s daily activities without requiring the input or approval of the other participants. Evidence of a person having the necessary managerial or operational control may include having the authority to engage personnel or contractors on behalf of the joint venture. Where the person does not engage staff to perform any of the operator’s duties, it is doubtful that the person would be considered to have the managerial or operational control of the joint venture. Additionally, the person would not be considered to have the managerial or operational control of a joint venture merely as a result of completing the GST/HST returns in respect of the joint venture’s activities.

However, managerial or operational control does not necessarily require authority to initiate significant business decisions such as the acquisition of, or selling of, certain core business assets. It can be limited to the daily functions necessary to run a business but must include all or at least most of the significant duties necessary to run the joint venture. If a person has no independent powers, discretion or responsibilities and its primary responsibility is to hold title to the property for the benefit of the other participants and carry out limited functions solely at the direction of the participants, the person would not be considered to have the managerial or operational control of the joint venture and thus would not be considered to be a participant in the joint venture.

For purposes of the section 273 joint venture election, a “bare trust” which is a bare trust at law cannot be considered the operator of a joint venture. A bare trust at law merely retains legal title to assets with the beneficial owner(s) retaining beneficial ownership and authority for any other actions in relation to the assets. A nominee corporation may be the trustee of a bare trust. Further information on the nature of bare trusts and the GST/HST is outlined in GST/HST Technical Information Bulletin B-068, *Bare Trusts*.

La version française de la présente publication est intitulée *Simple fiducies, sociétés prête-nom et coentreprises*.



Generally, a nominee corporation provides the use of its name to the beneficial owners of the assets. Nominee corporations are also generally characterized as shells which do not perform activities other than holding assets on behalf of beneficial owners. All other functions performed by the nominee corporation are at the direction and control of the beneficial owners.

Where the only function of a nominee corporation is to hold title to a joint venture's assets and have its name used instead of the names of the participants in the joint venture's dealings with third parties, the nominee corporation does not qualify as a participant for purposes of the joint venture election.

The terms "nominee corporation" and "bare trust" may be used somewhat loosely by businesses. As a result, a so called nominee corporation or so-called bare trust may in fact have the managerial or operational control of a joint venture. Where this is the case, the so-called nominee corporation or bare trust may be a participant in the joint venture for GST/HST purposes. Whether a person has the managerial or operational control of a joint venture is a question of fact which is determined through a full examination of the duties performed and the relevant agreements.

Temporary administrative tolerance

In some cases, participants in joint ventures have made an election under section 273 for a nominee corporation or bare trust to be the operator of the joint venture where the nominee corporation or bare trust does not have the managerial or operational control and is not considered to be a participant in accordance with the policy statement. Auditors have been advised not to assess for any GST/HST owing where an assessment could be raised because the bare trust or nominee corporation is not a participant for purposes of section 273. This administrative tolerance is contingent upon confirmation that all returns have been filed, all amounts have been remitted and the joint venture participants are otherwise fully compliant. Further, this administrative tolerance is in place with the understanding that, on a going forward basis, the joint venture will arrange its affairs to ensure that a participant, as defined in GST/HST Policy Statement P-106, who is a GST/HST registrant, is the operator of the joint venture.

This administrative tolerance is available for reporting periods ending before January 1, 2015.

Agency

A trustee of a bare trust, for example, a nominee corporation, may act as an agent of the participants in a joint venture by performing certain activities on their behalf. Where an agency relationship exists between the nominee corporation and the participants in a joint venture, the nominee corporation may be engaged in a commercial activity and as such may be required or permitted to register for GST/HST purposes.

Generally, an agent is considered to be an extension of the principal and makes or acquires supplies on behalf of the principal who for GST/HST purposes is considered to have made or acquired the supplies. Therefore, it is the principal that is generally required to charge and account for the tax on the supplies made by the agent on behalf of the principal. In addition, it is the principal who is entitled to claim any input tax credits on the supplies acquired by the agent on behalf of the principal.

Under subsection 177(1.1) of the *Excise Tax Act*, a principal and an agent can jointly elect to allow the agent to account for the tax on supplies made by the agent on behalf of the principal. Where a nominee corporation is a GST/HST registrant that makes taxable supplies as agent on behalf of the participants in a joint venture, the nominee corporation and the participants may jointly elect under subsection 177(1.1) to have the nominee corporation account for the tax on the supplies it makes on behalf of the participants.

However, the election under subsection 177(1.1) does not result in the agent assuming any rights with respect to input tax credits to which the principal may be entitled to claim. Consequently, even where a nominee corporation acts as agent in acquiring supplies on behalf of the participants in a joint venture, the nominee corporation is not entitled to claim any input tax credits that the participants may be eligible to claim with respect to such supplies.

A nominee corporation is an agent with respect to a particular transaction if the nominee corporation is an agent based on a determination of fact and an application of the principles of law. It is also a question of fact whether a nominee corporation is required to register for GST/HST purposes or whether it may register voluntarily. If the nominee corporation is an agent and makes taxable supplies of its services of acting as an agent to the participants in a joint venture, the nominee corporation may register voluntarily if it is not required to register.

Enquiries by telephone

Technical enquiries on the GST/HST:	1-800-959-8287
General enquiries on the GST/HST:	1-800-959-5525 (Business Enquiries)
If you are located in Quebec:	1-800-567-4692 (Revenu Québec)

All technical publications on GST/HST are available on the CRA website at www.cra.gc.ca/gsthstech.

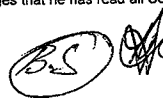
APPENDIX "E"

AGREEMENT OF PURCHASE AND SALE

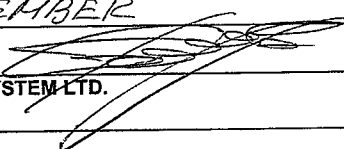
The undersigned, BRODY WALL SYSTEM LTD. (collectively, the "Purchaser"), hereby agrees with JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION (the "Vendor") to purchase the above-noted unit, as outlined for identification purposes only on the sketch attached hereto as Schedule "A", together with ONE (1) Parking Unit and One (1) Locker Unit which shall be allocated by the Vendor in its sole discretion, being proposed unit(s) in the Condominium, to be registered against those lands and premises situate in the Town of Markham on a parcel of land at the northeast corner of Kennedy Road and a road to be constructed and known as South Unionville Avenue (hereinafter called the "Property"), together with an undivided interest in the common elements appurtenant to such unit(s) and the exclusive use of those parts of the common elements attaching to such unit(s), as set out in the proposed Declaration (collectively, the "Unit") on the following terms and conditions:

1. The purchase price of the Unit (the "Purchase Price") is TWO HUNDRED THIRTY THOUSAND (\$ 230,000) DOLLARS in lawful money of Canada, payable as follows:
 - (a) to Harris, Sheaffer LLP, in Trust, (the "Vendor's Solicitors" or "Escrow Agent" or "Trustee") in the following amounts at the following times, by cheque or bank draft, as deposits pending completion or other termination of this Agreement and to be credited on account of the Purchase Price on the Occupancy Date:
 - (i) the sum of FIVE THOUSAND (\$5,000.00) Dollars submitted with this Agreement;
 - (ii) the sum of zero (\$ 0) Dollars (which, together with the deposit in paragraph 1(a)(i) represents 5% of the Purchase Price) submitted with this Agreement and post-dated fifteen (15) days following the date of acceptance of this Agreement by the Vendor;
 - (iii) the sum of zero (\$ 0) Dollars (being five (5%) percent of the Purchase Price) submitted with this Agreement and post-dated sixty (60) days following the date of acceptance of this Agreement by the Vendor;
 - (iv) the sum of zero (\$ 0) Dollars (being five (5%) percent of the Purchase Price) submitted with this Agreement and post-dated one hundred and eighty (180) days following the date of acceptance of this Agreement by the Vendor;
 - (v) the sum of zero (\$ 0) Dollars (being five (5%) percent of the Purchase Price) submitted with this Agreement and post-dated two hundred and forty (240) days following the date of acceptance of this Agreement by the Vendor;
 - (b) the sum of zero (\$ 0) Dollars (being five (5%) percent of the Purchase Price) by certified cheque or bank draft to the Vendor's Solicitors on the Occupancy Date;
 - (c) the balance of the Purchase Price by certified cheque on the Title Transfer Date to the Vendor or as the Vendor may direct, subject to the adjustments hereinafter set forth.
 - (d) the Purchaser agrees to pay the sum as hereinbefore set out in paragraph 1 (a) as a deposit by cheque payable to the Escrow Agent with such last-mentioned party to hold such funds in trust as the escrow agent acting for and on behalf of TWC under the provisions of a Deposit Trust Agreement ("DTA") with respect to this proposed condominium on the express understanding and agreement that as soon as prescribed security for the said deposit money has been provided in accordance with Section 81 of the Act, the Escrow Agent shall be entitled to release and disburse said funds to the Vendor (or to whomsoever and in whatsoever manner the Vendor may direct).
2.
 - (a) The Purchaser shall occupy the Unit on the First Tentative Occupancy Date [as defined in the Statement of Critical Dates being part of the Tarion Addendum as hereinafter defined], or such extended or accelerated date that the Unit is substantially completed by the Vendor for occupancy by the Purchaser in accordance with the terms of this Agreement including, without limitation, the Tarion Addendum (the "Occupancy Date");
 - (b) The transfer of title to the Unit shall be completed on the later of the Occupancy Date or a date established by the Vendor in accordance with Paragraph 14 hereof (the "Title Transfer Date");
 - (c) The Purchaser's address for delivery of any notices pursuant to this Agreement or the Act is the address set out in the Tarion Addendum;
 - (d) Notwithstanding anything contained in this Agreement (or in any schedules annexed hereto) to the contrary, it is expressly understood and agreed that if the Purchaser has not executed and delivered to the Vendor or its sales representative an acknowledgement of receipt of both the Vendor's disclosure statement and a copy of this Agreement duly executed by both parties hereto, within ten (10) days of notification from the Vendor that the Acknowledgement regarding the receipt of the disclosure statement and Agreement is available to be executed by the Purchaser, then the Purchaser shall be deemed to be in default hereunder and the Vendor shall have the unilateral right to terminate the Agreement at any time thereafter upon delivering written notice confirming such termination to the Purchaser, whereupon the Purchaser's initial deposit cheque shall be forthwith returned to the Purchaser by or on behalf of the Vendor.

The following Schedules of this Agreement, if attached hereto, shall form a part of this Agreement. If there is a form of Acknowledgement attached hereto same shall form part of this Agreement and shall be executed by the Purchaser and delivered to the Vendor on the Closing Date. The Purchaser acknowledges that he has read all Sections and Schedules of this Agreement and the form of Acknowledgement, if any:

- Schedule "A" - Unit Plan/sketch
 - Schedule "B" - Features & Finishes
 - Schedule "C" - Occupancy Licence
 - Schedule "D" - Warning Provisions
 - Schedule "E" - Receipt Confirmation
 - Schedule being the Tarion Warranty Corporation Statement of Critical Dates and Addendum to Agreement of Purchase and Sale (collectively the "Tarion Addendum")
 - and such other Schedules annexed hereto and specified as Schedule " ".
- Schedule "A" - Agreement*
Schedule "E" - Additional Provisions 

DATED, signed, sealed and delivered this 9 day of DECEMBER, 2014.

SIGNED, SEALED AND DELIVERED)
in the presence of) PURCHASER: BRODY WALL SYSTEM LTD. 

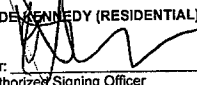
WITNESS:) PURCHASER'S SOLICITOR: Victor Lishchvna
(as to all Purchaser's)
signatures, if more than)
one purchaser))

Address: 3029 Bloor Street West, Suite 200, Toronto, Ontario, Canada
Telephone: 416-234-9111 Facsimile: 416-234-9114

The undersigned accepts the above offer and agrees to complete this transaction in accordance with the terms thereof.

DATED, signed, sealed and delivered, this 5th day of December, 2014

Vendor's Solicitors:
HARRIS, SHEAFFER LLP
Suite 610 - 4100 Yonge Street
Toronto, Ontario, M2P 3B5
Attn: Mark L. Karoly
Telephone: (416) 250-5800 Fax: (416) 250-5300

JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION
Per: 
Authorized Signing Officer
I have the authority to bind the Corporation.

3. The meaning of words and phrases used in this Agreement and its Schedules shall have the meaning ascribed to them in the *Condominium Act, 1998*, S.O. 1998, C.19, the regulations thereunder and any amendments thereto (the "Act") and other terms used herein shall have ascribed to them the definitions in the Condominium Documents unless otherwise provided for as follows:
- (a) "Agreement" means this Agreement of Purchase and Sale including all Schedules attached hereto and made a part hereof;
 - (b) "Condominium" means the condominium which will be registered against the Property pursuant to the provisions of the Act;
 - (c) "Condominium Documents" means the Creating Documents, the by-laws and rules of the Condominium, the disclosure statement and budget statement together with all other documents and agreements which are entered into by the Vendor on behalf of the Condominium or by the Condominium directly prior to the turnover of the condominium, as may be amended from time to time;
 - (d) "CRA" means the Canada Revenue Agency or its successors;
 - (e) "Creating Documents" means the declaration and description which are intended to be registered against title to the Property and which will serve to create the Condominium, as may be amended from time to time;
 - (f) "Interim Occupancy" shall mean the period of time from the Occupancy Date to the Title Transfer Date;
 - (g) "Occupancy Licence" shall mean the terms and conditions by which the Purchaser shall occupy the Unit during Interim Occupancy as set forth in Schedule "C" hereof;
 - (h) "Occupancy Fee" shall mean the sum of money payable monthly in advance by the Purchaser to the Vendor and calculated in accordance with Schedule "C" hereof;
 - (i) "Property" shall mean the lands and premises upon which the Condominium is constructed or shall be constructed and legally described in the Condominium Documents; and
 - (j) "TWC" means Tarion Warranty Corporation or its successors.

Finishes

4. The Purchase Price shall include those items listed on Schedule "B" attached hereto. The Purchaser acknowledges that only the items set out in Schedule "B" are included in the Purchase Price and that model suite/vingnette furnishings and appliances, decor, upgrades, artist's renderings, scale model(s), improvements, mirrors, drapes, tracks and wall coverings are for display purposes only and are not included in the Purchase Price unless specified in Schedule "B". The Purchaser agrees to attend and notify the Vendor of his/her choice of finishes within fifteen (15) days of being requested to do so by the Vendor. In the event colours and/or finishes subsequently become unavailable, the Purchaser agrees to re-attend at such time or times as requested by the Vendor or its agents, to choose from substitute colours and/or finishes, if the Purchaser fails to choose colours or finishes within the time periods requested, the Vendor may irrevocably choose the colours and finishes for the Purchaser and the Purchaser agrees to accept the Vendor's selections.

Deposits

5. (a) The Vendor shall credit the Purchaser with interest at the prescribed rate on either the Occupancy Date or Title Transfer Date at the Vendor's sole discretion on all money received by the Vendor on account of the Purchase Price from the date of deposit of the money received from time to time by the Declarant's solicitor or the trustee until the Occupancy Date. The Purchaser acknowledges and agrees that, for the purposes of subsection 81(6) of the Act, compliance with the requirement to provide written evidence, in the form prescribed by the Act, of payment of monies by or on behalf of the Purchaser on account of the Purchase Price of the Unit shall be deemed to have been sufficiently made by delivery of such written evidence to the address of the Purchaser noted in the Tarion Addendum. The Purchaser further acknowledges and agrees that any cheques provided to the Vendor on account of the Purchase Price will not be deposited and accordingly interest as prescribed by the Act will not accrue thereon, until after the expiry of the ten (10) day rescission period as provided for in section 73 of the Act (or any extension thereof as may be agreed to in writing by the Vendor). The Purchaser represents and warrants that the Purchaser is not a non-resident of Canada within the meaning of the Income Tax Act of Canada (the "ITA"). If the Purchaser is not a resident of Canada for the purposes of the ITA the Vendor shall be entitled to withhold and remit to CRA the appropriate amount of interest payable to the Purchaser on account of the deposits paid hereunder, under the ITA.
- (b) All deposits paid by the Purchaser shall be held by the Escrow Agent in a designated trust account, and shall be released only in accordance with the provisions of subsection 81(7) of the Act and the regulations thereto, as amended. Without limiting the generality of the foregoing, and for greater clarity, it is understood and agreed that with respect to any deposit monies received from the Purchaser the Escrow Agent shall be entitled to withdraw such deposit monies from said designated trust account prior to the Title Transfer Date if and only when the Vendor obtains a Certificate of Deposit from TWC for deposit monies up to Twenty Thousand (\$20,000.00) Dollars and with respect to deposit monies in excess of Twenty Thousand (\$20,000.00) Dollars, one or more excess condominium deposit insurance policies (issued by any insurer as may be selected by the Vendor, authorized to provide excess condominium deposit insurance in Ontario) insuring the deposit monies so withdrawn (or intended to be withdrawn), and delivers the said excess condominium deposit insurance policies (duly executed by or on behalf of the insurer and the Vendor) to the Escrow Agent holding the deposit monies for which said policies have been provided as security, in accordance with the provisions of section 21 of O. Reg. 48/01.

Adjustments

6. (a) Commencing as of the Occupancy Date, the Purchaser shall be responsible and be obligated to pay the following costs and/or charges in respect to the Unit:
- (i) all utility costs including electricity, gas and water (unless included as part of the common expenses); and
 - (ii) the Occupancy Fee owing by the Purchaser for Interim Occupancy prior to the Title Transfer Date (if applicable).
- (b) The Purchase Price shall be adjusted to reflect the following items, which shall be apportioned and allowed from the Title Transfer Date, with that day itself apportioned to the Purchaser:
- (iii) realty taxes (including local improvement charges pursuant to the *Local Improvement Charges Act*, if any) which may be estimated as if the Unit has been assessed as fully completed by the taxing authority for the calendar year in which the transaction is completed as well as for the following calendar year, notwithstanding the same may not have been levied or paid on the Title Transfer Date. The Vendor shall be entitled in its sole discretion to collect from the Purchaser a reasonable estimate of the taxes as part of the Occupancy Fee and/or such further amounts on the Title Transfer Date, provided all amounts so collected shall either be remitted to the relevant taxing authority on account of the Unit or held by the Vendor pending receipt of final tax bills for the Unit, following which said realty taxes shall be readjusted in accordance with subsections 80(8) and (9) of the Act; and
 - (iv) common expense contributions attributable to the Unit, with the Purchaser being obliged to provide the Vendor on or before the Title Transfer Date with a series of post-dated cheques payable to the condominium corporation for the common expense contributions attributable to the Unit, for such period of time after the Title Transfer Date as determined by the Vendor (but in no event for more than one year).
- (c) Interest on all money paid by the Purchaser on account of the Purchase Price, shall be adjusted and credited to the Purchaser in accordance with paragraph 5 of this Agreement.
- (d) The Purchaser shall, in addition to the Purchase Price, pay the following amounts to the Vendor on the Title Transfer Date:
- (i) If there are chattels involved in this transaction, the allocation of value of such chattels shall be estimated where necessary by the Vendor and retail sales tax may be collected and remitted by the Vendor or alternatively, the

- Purchaser shall pay as a credit to the Vendor on the Statement of Adjustments, the provincial sales tax paid by the Vendor on account of chattels in Schedule "B";
- (ii) Any new taxes imposed on the Unit by the federal, provincial, or municipal government or any increases to existing taxes currently imposed on the Unit by such government. Without limiting the generality of any provision of this Agreement, the Purchase Price excludes provincial sales tax which may be payable on the Unit, on its own or as part of a harmonized sales tax and accordingly, if same is payable in respect of the transaction contemplated by this Agreement, it shall be paid by the Purchaser on the Unit Transfer Date in addition to the Purchase Price as an adjustment on closing or as otherwise directed by the Vendor. Without limiting the generality of the foregoing, the Purchase Price excludes Provincial Sales Tax which may be payable on the Unit which, if applicable, shall be paid by the Purchaser in addition to the Purchase Price, as aforesaid;
 - (iii) The sum of \$3,500.00 towards any development charge(s) and/or education development charge(s) assessed against or attributable to the Unit (or assessed against the Property or any portion thereof), pursuant to the *Development Charges Act, 1997*, S.O. 1997, as amended from time to time, and the *Education Act*, S.O. 1997, as amended from time to time.
 - (iv) The sum of \$2,000.00 towards any parks levy or any charges pursuant to a section 37 Agreement (pursuant to the *Planning Act*), levied, charged or otherwise imposed with respect to the Condominium, the Property or the Unit by any governmental authority;
 - (v) The cost of the TWC enrolment fee for the Unit (together with any provincial or federal taxes exigible with respect thereto);
 - (vi) The amount of \$875.00 towards the cost of water meter installations, water and sewer service connection charges and hydro and gas installation and connection or energization charges for the Unit and/or the Condominium, and where such costs or charges or any portion thereof are assessed against the Property and not the Unit separately, then the Purchaser's portion of such installation and/or connection or energization charges and costs shall be calculated by dividing the total amount of such charges and costs by the number of units in the Condominium and by charging the Purchaser in the statement of adjustments with that portion of the charges and costs. A letter from the Vendor's engineers certifying the said charges and costs shall be final and binding on the Purchaser.
 - (vii) The cost of any carbon monoxide detector installed in the Unit (if applicable);
 - (viii) The charge imposed upon the Vendor or its solicitors by the Law Society of Upper Canada upon registration of a Transfer/Deed of Land or Charge/Mortgage of Land or any other instrument;
 - (ix) A sum of Fifty (\$50.00) Dollars for each cheque tendered pursuant to paragraph 1(a) and 1(b) of this Agreement and for any cheque tendered for upgrades or any other monies paid on account of the Purchase Price up to, but not including the Title Transfer Date representing a reasonable reimbursement to the Vendor of the costs incurred or to be incurred by the Vendor in fulfillment of the requirements of subsection 81(6) of the Act;
 - (x) The Purchaser agrees to pay Two Hundred and Fifty (\$250.00) Dollars towards the cost of obtaining (partial) discharges of mortgages not intended to be assumed by the Purchaser; and
 - (xi) The Purchaser shall reimburse the Vendor for a portion of the Vendor's costs of engineering reports prepared to satisfy the requirements of TWC under Bulletin 19 with the Purchaser's portion of such costs either being equal to the percentage allocation referable to the Unit as set forth in Schedule "D" to the Declaration or by dividing same by the number of residential units in the Condominium.
- (e) In the event that the Purchaser desires to increase the amount to be paid to the Vendor's solicitors on the Occupancy Date at any time after the expiry of the initial ten (10) day statutory rescission period, or wishes to vary the manner in which the Purchaser has previously requested to take title to the Property, or wishes to add or change any unit(s) being acquired from the Vendor, then the Purchaser hereby covenants and agrees to pay to the Vendor's Solicitor's the legal fees and ancillary disbursements which may be incurred by the Vendor or charged by the Vendor's Solicitors in order to implement any of the foregoing changes so requested by the Purchaser (with the Vendor's Solicitors' legal fees for implementing any such changes to any of the interim closing and/or final closing documents so requested by the Purchaser and agreed to by the Vendor being \$250.00 plus HST), but without there being any obligation whatsoever on the part of the Vendor to approve of, or to implement, any of the foregoing changes so requested.
- (f) It is further understood and agreed that the Unit may include a rental or leased furnace/HVAC system or hot water tank and associated components which would remain the property of the appropriate company or other supplier of such item, and in such event, the Purchaser shall pay the monthly rental/lease charges assessed with respect thereto from and after the Occupancy Date, and shall execute all requisite rental documents in connection therewith.
- (g) The Purchaser acknowledges that it may be required to enter into an agreement with the supplier of hydro services to the Condominium (the "Hydro Supplier") on or before the Closing Date. Furthermore, the Purchaser acknowledges that such agreement may require the Purchaser to deliver a security deposit to the Hydro Supplier prior to the Occupancy Date and the Purchaser agrees to deliver such security deposit to the Vendor on the Occupancy Date.
- (h) It is acknowledged and agreed by the parties hereto that the Purchase Price already includes a component equivalent to both the federal portion and, if applicable, the provincial portion of the harmonized goods and services tax or single sales tax exigible with respect to this purchase and sale transaction less the Rebate as defined below (hereinafter referred to as the "HST"), and that the Vendor shall remit the HST to CRA on behalf of the Purchaser forthwith following the completion of this transaction. The Purchaser hereby warrants and represents to the Vendor that with respect to this transaction, the Purchaser qualifies for the federal and provincial new housing rebates applicable pursuant to the *Excise Tax Act* (Canada), as may be amended, (collectively, the "Rebate") and further warrants and represents that the Purchaser is a natural person who is acquiring the Property with the intention of being the sole beneficial owner thereof on the Title Transfer Date (and not as the agent or trustee for or on behalf of any other party or parties), and covenants that upon the Occupancy Date the Purchaser or one or more of the Purchaser's relations (as such term is defined in the *Excise Tax Act*) shall personally occupy the Unit as his primary place of residence, for such period of time as shall be required by the *Excise Tax Act*, and any other applicable legislation, in order to entitle the Purchaser to the Rebate (and the ultimate assignment thereof to and in favour of the Vendor) in respect of the Purchaser's acquisition of the Unit. The Purchaser further warrants and represents that he has not claimed (and hereby covenants that the Purchaser shall not hereafter claim), for the Purchaser's own account, any part of the Rebate in connection with the Purchaser's acquisition of the Unit, save as may be otherwise hereinafter expressly provided or contemplated. The Purchaser hereby irrevocably assigns to the Vendor all of the Purchaser's rights, interests and entitlements to the Rebate (and concomitantly releases all of the Purchaser's claims or interests in and to the Rebate, to and in favour of the Vendor), and hereby irrevocably authorizes and directs CRA to pay or credit the Rebate directly to the Vendor. In addition, the Purchaser shall execute and deliver to the Vendor, forthwith upon the Vendor's or Vendor's solicitors request for same (and in any event on or before the Title Transfer Date), all requisite documents and assurances that the Vendor or the Vendor's solicitors may reasonably require in order to confirm the Purchaser's entitlement to the Rebate and/or to enable the Vendor to obtain the benefit of the Rebate (by way of assignment or otherwise), including without limitation, the GST/HST New Housing Rebate Application for Houses Purchased from a Builder or other similar form as prescribed from time to time (the "Rebate Form"). The Purchaser covenants and agrees to indemnify and save the Vendor harmless from and against any loss, cost, damage and/or liability (including an amount equivalent to the Rebate, plus penalties and interest thereon) which the Vendor may suffer, incur or be charged with, as a result of the Purchaser's failure to qualify for the Rebate, or as a result of the Purchaser having qualified initially but being subsequently disentitled to the Rebate, or as a result of the inability to assign the benefit of the Rebate to the Vendor (or the ineffectiveness of the documents purporting to assign the benefit of the Rebate to the Vendor). As security for the payment of such amount, the Purchaser does hereby charge and pledge his interest in the Unit with the intention of creating a lien or charge against same. It is further understood and agreed by the parties hereto that:
- (i) if the Purchaser does not qualify for the Rebate, or fails to deliver to the Vendor or the Vendor's solicitors forthwith upon the Vendor's or the Vendor's solicitors request for same (and in any event on or before the Title Transfer Date) the Rebate Forms duly executed by the Purchaser, together with all other requisite documents and assurances that

the Vendor or the Vendor's solicitors may reasonably require from the Purchaser or the Purchaser's solicitor in order to confirm the Purchaser's eligibility for the Rebate and/or to ensure that the Vendor ultimately acquires (or is otherwise assigned) the benefit of the Rebate; or

- (ii) If the Vendor believes, for whatever reason, that the Purchaser does not qualify for the Rebate, regardless of any documentation provided by or on behalf of the Purchaser (including any statutory declaration sworn by the Purchaser) to the contrary, and the Vendor's belief or position on this matter is communicated to the Purchaser or the Purchaser's solicitor on or before the Title Transfer Date;

then notwithstanding anything hereinbefore or hereinafter provided to the contrary, the Purchaser shall be obliged to pay to the Vendor (or to whomsoever the Vendor may in writing direct), by certified cheque delivered on the Title Transfer Date, an amount equivalent to the Rebate, in addition to the Purchase Price and in those circumstances where the Purchaser maintains that he is eligible for the Rebate despite the Vendor's belief to the contrary, the Purchaser shall (after payment of the amount equivalent to the Rebate as aforesaid) be fully entitled to pursue the procurement of the Rebate directly from CRA. It is further understood and agreed that in the event that the Purchaser intends to rent out the Unit before or after the Title Transfer Date, the Purchaser shall not be entitled to the Rebate, but may nevertheless be entitled to pursue, on his own after the Title Transfer Date, the federal and provincial new rental housing rebates directly with CRA, pursuant to Section 256.2 of the *Excise Tax Act*, as may be amended, and other applicable legislation to be enacted relating to the provincial new rental housing rebate.

- (i) Notwithstanding any other provision herein contained in this Agreement, the Purchaser acknowledges and agrees that the Purchase Price does not include any HST exigible with respect to any of the adjustments payable by the Purchaser pursuant to this Agreement, or any extras or upgrades or changes purchased, ordered or chosen by the Purchaser from the Vendor which are not specifically set forth in this Agreement, and the Purchaser covenants and agrees to pay such HST to the Vendor in accordance with the Excise Tax Act. In addition, and without limiting the generality of the foregoing, in the event that the Purchase Price is increased by the addition of extras, changes, upgrades or adjustments and as a result of such increase, the quantum of the Rebate that would otherwise be available is reduced or extinguished (the quantum of such reduction being hereinafter referred to as the "Reduction"), then the Purchaser shall pay to the Vendor on the Title Transfer Date the amount of (as determined by the Vendor in its sole and absolute discretion) the Reduction.
- (j) An administration fee of TWO HUNDRED AND FIFTY (\$250.00) DOLLARS shall be charged to the Purchaser for any cheque payable hereunder delivered to the Vendor or to the Vendor's Solicitors and not accepted by the Vendor's or the Vendor's Solicitor's bank for any reason. At the Vendor's option, this administration fee can be collected as an adjustment on the Title Transfer Date or together with the replacement cheque delivered by the Purchaser.

Title

7. The Vendor or its Solicitor shall notify the Purchaser or his/her Solicitor following registration of the Creating Documents so as to permit the Purchaser or his/her Solicitor to examine title to the Unit (the "Notification Date"). The Purchaser shall be allowed twenty (20) days from the Notification Date (the "Examination Period") to examine title to the Unit at the Purchaser's own expense and shall not call for the production of any surveys, title deeds, abstracts of title, grading certificates, occupancy permits or certificates, nor any other proof or evidence of the title or occupiability of the Unit, except such copies thereof as are in the Vendor's possession. If within the Examination Period, any valid objection to title or to any outstanding work order is made in writing to the Vendor which the Vendor shall be unable or unwilling to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intervening acts or negotiations in respect of such objections, be null and void and the deposit monies together with the interest required by the Act to be paid after deducting any payments due to the Vendor by the Purchaser as provided for in this Agreement shall be returned to the Purchaser and the Vendor shall have no further liability or obligation hereunder and shall not be liable for any costs or damages. Save as to any valid objections so made within the Examination Period, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Unit. The Purchaser acknowledges and agrees that the Vendor shall be entitled to respond to some or all of the requisitions submitted by or on behalf of the Purchaser through the use of a standard title memorandum or title advice statement prepared by the Vendor's Solicitors, and that same shall constitute a satisfactory manner of responding to the Purchaser's requisitions, thereby relieving the Vendor and the Vendor's Solicitors of the requirement to respond directly or specifically to the Purchaser's requisitions.

Direction Re: Title

8. The Purchaser hereby agrees to submit to the Vendor or the Vendor's Solicitors on the earlier of the Occupancy Date and twenty (20) days prior to the Title Transfer Date, a written direction as to how the Purchaser intends to take title to the Unit, including, the date(s) of birth and marital status and the Purchaser shall be required to close the transaction in the manner so advised unless the Vendor otherwise consents in writing, which consent may be arbitrarily withheld. If the Purchaser does not submit such confirmation within the required time as aforesaid the Vendor shall be entitled to tender a Transfer/Deed on the Title Transfer Date engrossed in the name of the Purchaser as shown on the face of this Agreement.

Permitted Encumbrances

9. (a) The Purchaser agrees to accept title subject to the following:
- (i) the Condominium Documents, notwithstanding that they may be amended and varied from the proposed Condominium Documents in the general form attached to the Disclosure Statement delivered to the Purchaser as set out in Schedule "E";
 - (ii) registered restrictions or covenants that run with the Property, including any encroachment agreement(s) with any governmental authorities or adjacent land owner(s), provided that same are complied with as at the Title Transfer Date;
 - (iii) easements, rights-of-way and/or licences now registered (or to be registered hereafter) for the supply and installation of utility services, drainage, telephone services, electricity, gas, storm and/or sanitary sewers, water, cable television/internet, recreational and shared facilities, and/or any other service(s) to or for the benefit of the Condominium (or to any adjacent or neighbouring properties), including any easement(s) which may be required by the Vendor (or by the owner of the Property, if not one and the same as the Vendor), or by any owner(s) of adjacent or neighbouring properties, for servicing and/or access to (or entry from) such properties, together with any easement and cost-sharing agreement(s) or reciprocal agreement(s) confirming (or pertaining to) any easement or right-of-way for access, egress, support and/or servicing purposes, and/or pertaining to the sharing of any services, facilities and/or amenities with adjacent or neighbouring property owners, provided that any such easement and cost-sharing agreements or reciprocal agreements are (insofar as the obligations thereunder pertaining to the Property, or any portion thereof, are concerned) complied with as at the Title Transfer Date;
 - (iv) registered municipal agreements and registered agreements with publicly regulated utilities and/or with local ratepayer associations, including without limitation, any development, site plan, condominium, subdivision, Section 37, collateral, limiting distance, engineering and/or other municipal agreement (or similar agreements entered into with any governmental authorities including any amendments or addenda related thereto), (with all of such agreements being hereinafter collectively referred to as the "Development Agreements"), provided that same are complied with as at the Title Transfer Date, or security has been posted in such amounts and on such terms as may be required by the governmental authorities to ensure compliance therewith and/or the completion of any outstanding obligations thereunder; and
 - (v) unregistered or inchoate liens for unpaid utilities in respect of which no formal bill, account or invoice has been issued by the relevant utility authority (or if issued, the time for payment of same has not yet expired), without any claim or request by the Purchaser for any utility holdback(s) or reduction/abatement in the Purchase Price, provided that the Vendor delivers to the Purchaser the Vendor's written undertaking to pay all outstanding utility accounts owing with respect to the Property (including any amounts owing in connection with any final meter reading(s) taken on or immediately prior to the Title Transfer Date, if applicable), as soon as reasonably possible after the completion of this transaction;
- (b) It is understood and agreed that the Vendor shall not be obliged to obtain or register on title to the property a release of (or an amendment to) any of the aforementioned easements, Development Agreements, reciprocal agreements or restrictive covenants or any of the other aforementioned agreements or notices, nor shall the Vendor be obliged to have any of same deleted from the title to the Property, and the Purchaser hereby expressly acknowledges and agrees that the Purchaser shall satisfy himself or herself as to compliance therewith. The Purchaser agrees to observe and comply with the terms and provisions of the Development Agreements, and all restrictive covenants registered on title. The Purchaser further

acknowledges and agrees that the retention by the local municipality within which the Property is situated (the "Municipality"), or by any of the other governmental authorities, of security (e.g. in the form of cash, letters of credit, a performance bond, etc., satisfactory to the Municipality and/or any of the other governmental authorities) intended to guarantee the fulfillment of any outstanding obligations under the Development Agreements shall, for the purposes of the purchase and sale transaction contemplated hereunder, be deemed to be satisfactory compliance with the terms and provisions of the Development Agreements. The Purchaser also acknowledges that the wires, cables and fittings comprising the cable television system serving the Condominium are (or may be) owned by the local cable television supplier, or by a company associated, affiliated with or related to the Vendor.

- (c) The Purchaser covenants and agrees to consent to the matters referred to in subparagraph 9(a) hereof and to execute all documents and do all things requisite for this purpose, either before or after the Title Transfer Date;
- (d) In the event that the Vendor is not the registered owner of the Property, the Purchaser agrees to accept a conveyance of title from the registered owner together with the owner's title covenants in lieu of the Vendor's.
- (e) The Vendor shall be entitled to insert in the Transfer/Deed of Land, specific covenants by the Purchaser pertaining to any or all of the restrictions, easements, covenants and agreements referred to herein and in the Condominium Documents, and in such case, the Purchaser may be required to deliver separate written covenants on closing. If so requested by the Vendor, the Purchaser covenants to execute all documents and instruments required to convey or confirm any of the easements, licences, covenants, agreements, and/or rights, required pursuant to this Agreement and shall observe and comply with all of the terms and provisions therewith. The Purchaser may be required to obtain a similar covenant (enforceable by and in favour of the Vendor), in any agreement entered into between the Purchaser and any subsequent transferee of the Unit.

Vendor's Lien

10. The Purchaser agrees that the Vendor shall have a Vendor's Lien for unpaid purchase monies on the Title Transfer Date and shall be entitled to register a Notice of Vendor's Lien against the Unit any time after the Title Transfer Date.

Partial Discharges

11. The Purchaser acknowledges that the Unit may be encumbered by mortgages (and collateral security thereto) which are not intended to be assumed by the Purchaser and that the Vendor shall not be obliged to obtain and register (partial) discharges of such mortgages insofar as they affect the Unit on the Title Transfer Date. The Purchaser agrees to accept the Vendor's Solicitors' undertaking to obtain and register (partial) discharges of such mortgages in respect of the Unit, as soon as reasonably possible after the Title Transfer Date subject to the Vendor or its solicitors providing to the Purchaser or the Purchaser's Solicitor the following:
- (a) a mortgage statement or letter from the mortgagee(s) (or from their respective solicitors) confirming the amount, if any, required to be paid to the mortgagee(s) to obtain (partial) discharges of the mortgages with respect to the Unit;
 - (b) a direction from the Vendor to the Purchaser to pay such amounts to the mortgagee(s) (or to whomever the mortgagees may direct) on the Title Transfer Date to obtain a (partial) discharge of the mortgage(s) with respect to the Unit; and
 - (c) an undertaking from the Vendor's Solicitors to deliver such amounts to the mortgagees and to obtain and register the (partial) discharge of the mortgages with respect to the Unit upon receipt thereof and within a reasonable time following the Title Transfer Date and to advise the Purchaser or the Purchaser's Solicitor concerning registration particulars by posting same on the internet.

Construction Lien Act

12. The Purchaser covenants and agrees that he/she is a "home buyer" within the meaning of the *Construction Lien Act*, R.S.O. 1990, c.C.30. and will not claim any lien holdback on the Occupancy Date or Title Transfer Date. The Vendor shall complete the remainder of the Condominium according to its schedule of completion and neither the Occupancy Date nor the Title Transfer Date shall be delayed on that account.

The Planning Act

13. This Agreement and the transaction arising therefrom are conditional upon compliance with the provisions of section 50 of the *Planning Act*, R.S.O. 1990, c.P.13 and any amendments thereto on or before the Title Transfer Date.

Title Transfer Date

14. (a) The provisions of the Taron Addendum reflect the TWC's policies, regulations and/or guidelines on extensions of the First Tentative Occupancy Date, but it is expressly understood and agreed by the parties hereto that any failure to provide notice(s) of the extension(s) of the First Tentative Occupancy Date, Subsequent Tentative Occupancy Dates or Firm Occupancy Date, in accordance with the provisions of the Taron Addendum shall only give rise to a damage claim by the Purchaser against the Vendor up to a maximum of \$7,500.00, as more particularly set forth in the Regulations to the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, as amended (the "ONHWPA"), and under no circumstances shall the Purchaser be entitled to terminate this transaction or otherwise rescind this Agreement as a result thereof, other than in accordance with the Taron Addendum.
- (b) The Vendor's Solicitors shall designate a date not less than twenty (20) days after written notice is given to the Purchaser or his or her solicitor of the registration of the Creating Documents as the Title Transfer Date. The Title Transfer Date once designated may be extended from time to time by the Vendor's Solicitors provided that it shall not be more than twenty-four (24) months following the Occupancy Date.

Purchaser's Covenants, Representations and Warranties

15. The Purchaser covenants and agrees that this Agreement is subordinate to and postponed to any mortgages arranged by the Vendor and any advances thereunder from time to time, and to any easement, license or other agreement concerning the Condominium and the Condominium Documents. The Purchaser further agrees to consent to and execute all documentation as may be required by the Vendor in this regard and the Purchaser hereby irrevocably appoints the Vendor as the Purchaser's attorney to execute any consents or other documents required by the Vendor to give effect to this paragraph. The Purchaser hereby consents to the Vendor obtaining a consumer's report containing credit and/or personal information for the purposes of this transaction. The Purchaser further agrees to deliver to the Vendor, from time to time, within ten (10) days of written demand from the Vendor, all necessary financial and personal information required by the Vendor in order to evidence the Purchaser's income and evidence of the source of the payments required to be made by the Purchaser in accordance with this Agreement. Without limiting the generality of the foregoing and notwithstanding any other provision in this Agreement to the contrary, within ten (10) days of written demand from the Vendor, the Purchaser agrees to produce evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Title Transfer Date. If the Purchaser fails to provide the mortgage approval as aforesaid, then the Purchaser shall be deemed to be in default under this Agreement. The Vendor may, in its sole discretion, elect to accept in the place of such mortgage commitment, other evidence satisfactory to the Vendor that the Purchaser will have sufficient funds to pay the balance due on the Title Transfer Date.
16. The Purchaser acknowledges that notwithstanding any rule of law to the contrary, that by executing this Agreement, it has not acquired any equitable or legal interest in the Unit or the Property. The Purchaser covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, Purchaser's Lien, or any other document providing evidence of this Agreement against title to the Property, Unit or the Condominium and further agrees not to give, register, or permit to be registered any encumbrance against the Property, Unit or the Condominium. Should the Purchaser be in default of his or her obligations hereunder, the Vendor may, as agent and attorney of the Purchaser, cause the removal of notice of this Agreement, caution or other document providing evidence of this Agreement or any assignment thereof, from the title to the Property, Unit or the Condominium. In addition, the Vendor, at its option, shall have the right to declare this Agreement null and void in accordance with the provisions of paragraph 26 hereof. The Purchaser hereby irrevocably consents to a court order removing such notice of this Agreement, any caution, or any other document or instrument whatsoever from title to the Property, Unit or the Condominium and the Purchaser agrees to pay all of the Vendor's costs and expenses in obtaining such order (including the Vendor's Solicitor's fees on a full indemnity basis).
17. The Purchaser covenants and agrees with the Vendor not to list for sale, advertise for sale, offer for lease, offer for sale, sell, lease, transfer or assign his interest under this Agreement or in the Unit, not less than thirty (30) days prior to the Unit Transfer Date without first: (i)

obtaining the written consent of the Vendor, which consent will not be unreasonably withheld once the Vendor determines that ninety (90%) percent of the units in the Condominium have been sold, which determination shall be made by the Vendor in its sole and unfettered discretion; (ii) acknowledging in writing that the Purchaser shall remain fully responsible for the Purchaser's covenants, agreements and obligations contained in this Agreement; (iii) obtaining an assignment and assumption agreement from the transferee/assignee in a form acceptable to the Vendor acting reasonably; (iv) remitting payment of the sum of Two Thousand Five Hundred (\$2,500.00) Dollars (plus applicable HST) by certified cheque representing an administration fee payable to the Vendor for processing and for allowing such transfer or assignment; (v) and confirming that the listing of such sale, transfer or assignment is not, never was and will not be listed on the Toronto Real Estate Board, Multiple Listing Service ("MLS"); and (vi) obtaining the written consent or approval from any lending institution or mortgagee providing any financing to the Vendor, construction or otherwise, for the development and construction of the Condominium, in the event such consent or approval is required to be obtained by the Vendor as a condition for the advance or continued advance of any funds in respect of such financing. The Purchaser acknowledges and agrees that once a breach of the preceding covenant occurs, such breach is or shall be incapable of rectification, and accordingly the Purchaser acknowledges, and agrees that in the event of such breach, the Vendor shall have the unilateral right and option of terminating this Agreement and the Occupancy License, effective upon delivery of notice of termination to the Purchaser or the Purchaser's solicitor, whereupon the provisions of this Agreement dealing with the consequence of termination by reason of the Purchaser's default, shall apply. Subject to the foregoing, the Purchaser shall be entitled to direct that title to the Unit be taken in the name of an assignee. Notwithstanding the foregoing, the Purchaser shall be entitled to direct that title to the Unit be taken in the name of his or her spouse, or a member of his or her immediate family only, being limited to parents, siblings or children over the age of eighteen (18) years, and shall not be permitted to direct title to any other third parties.

- 18. The Purchaser acknowledges that the Vendor is (or may in the future be) processing and/or completing one or more rezoning or minor variance applications with respect to the Lands (and/or the lands adjacent thereto or in the neighbouring vicinity thereof), as well as a site plan approval/development application/draft plan of condominium approval with respect to the Lands, in order to permit the development and construction of the Condominium thereon. The Purchaser acknowledges that during the rezoning, minor variance, site plan and/or draft plan of condominium approval process, the footprint or siting of the condominium building may shift from that originally proposed or intended, the overall height of the condominium building (and the number of levels/floors, and/or the number of dwelling units comprising the Condominium) may vary, and the location of the Condominium's proposed amenities may likewise be altered, without adversely affecting the floor plan layout, design and size of the interior of the Unit, and the Purchaser hereby expressly agrees to complete this transaction notwithstanding the foregoing, without any abatement in the Purchase Price, and without any entitlement to a claim for damages or other compensation whatsoever. The Purchaser further covenants and agrees that it shall not oppose the aforementioned zoning, minor variance and site plan/development applications, nor any other applications ancillary thereto, including without limitation, any application submitted or pursued by or on behalf of the Vendor to lawfully permit the development and registration of the Condominium, or to obtain an increase in the density coverage or the dwelling unit count (or yield) thereof, or for any other lawful purpose whatsoever, and the Purchaser expressly acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto.
- 19. The Purchaser covenants and agrees that he/she shall not interfere with the completion of other units and the common elements by the Vendor. Until the Condominium is completed and all units sold and transferred the Vendor may make such use of the Condominium as may facilitate the completion of the Condominium and sale of all the units, including, but not limited to the maintenance of a sales/rental/administration/construction office(s) and model units, and the display of signs located on the Property.

Termination without Default

- 20. In the event this Agreement is terminated through no fault of the Purchaser, all deposit monies paid by the Purchaser towards the Purchase Price, together with any interest required by law to be paid, shall be returned to the Purchaser; provided however, that the Vendor shall not be obligated to return any monies paid by the Purchaser as an Occupancy Fee. The Vendor shall be entitled to require the Purchaser to execute a release of any surety, lender or any other third party requested by the Vendor in its discretion prior to the return of such monies. In no event shall the Vendor or its agents be liable for any damages or costs whatsoever and without limiting the generality of the foregoing, for any loss of bargain, for any relocating costs, or for any professional or other fees paid in relation to this transaction. This provision may be pleaded by the Vendor as a complete defence to any such claim.

Tarion Warranty Corporation

- 21. The Vendor represents and warrants to the Purchaser that the Vendor is a registered vendor/builder with the TWC. The Purchaser acknowledges and agrees that any warranties of workmanship or materials, in respect of any aspect of the construction of the Condominium including the Unit, whether implied by this Agreement or at law or in equity or by any statute or otherwise, shall be limited to only those warranties deemed to be given by the Vendor under the ONHWPA and shall extend only for the time period and in respect of those items as stated in the ONHWPA, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement, or condition precedent to, concurrent with or in any way affecting this Agreement, the Condominium or the Unit, other than as expressed herein. The Purchaser hereby irrevocably appoints the Vendor his/her agent to complete and execute the TWC Certificate of Deposit and any excess condominium deposit insurance documentation in this regard, as required, both on its own behalf and on behalf of the Purchaser.

Right of Entry

- 22. Notwithstanding the Purchaser occupying the Unit on the Occupancy Date or the closing of this transaction and the delivery of title to the Unit to the Purchaser, as applicable, the Vendor or any person authorized by it shall be entitled at all reasonable times and upon reasonable prior notice to the Purchaser to enter the Unit and the common elements in order to make inspections or to do any work or replace therein or thereon which may be deemed necessary by the Vendor in connection with the Unit or the common elements and such right shall be in addition to any rights and easements created under the Act. A right of entry in favour of the Vendor for a period not exceeding five (5) years similar to the foregoing may be included in the Transfer/Deed provided on the Title Transfer Date and acknowledged by the Purchaser at the Vendor's sole discretion.

Occupancy

- 23. (a) The Unit shall be deemed to be substantially completed when the interior work has been finished to the minimum standards allowed by the Municipality so that the Unit may be lawfully occupied notwithstanding that there remains other work within the Unit and/or the common elements to be completed. The Purchaser shall not occupy the Unit until the Municipality has permitted same or consented thereto, if such consent is required and the Occupancy Date shall be postponed until such required consent is given. The Purchaser shall not require the Vendor to provide or produce an occupancy permit, certificate or authorization from the Municipality other than the documentation required by paragraph 8 of the Tarion Addendum. Provided that the Vendor complies with paragraph 8 of the Tarion Addendum, the Purchaser acknowledges that the failure to complete the common elements before the Occupancy Date shall not be deemed to be failure to complete the Unit, and the Purchaser agrees to complete this transaction notwithstanding any claim submitted to the Vendor and/or to the TWC in respect of apparent deficiencies or incomplete work provided, always, that such incomplete work does not prevent occupancy of the Unit as, otherwise, permitted by the Municipality.
- (b) If the Unit is substantially complete and fit for occupancy on the Occupancy Date, as provided for in subparagraph (a) above, but the Creating Documents have not been registered, (or in the event the Condominium is registered prior to the Occupancy Date and closing documentation has yet to be prepared), the Purchaser shall pay to the Vendor a further amount on account of the Purchase Price specified in paragraph 1(b) hereof without adjustment save for any pro-rated portion of the Occupancy Fee described and calculated in Schedule "C", and the Purchaser shall occupy the Unit on the Occupancy Date pursuant to the Occupancy Licence attached hereto as Schedule "C".

Inspection

- 24. (a) The Purchaser or the Purchaser's designate as hereinafter provided agrees to meet the Vendor's representative at the date and time designated by the Vendor, prior to the Occupancy Date, to conduct a pre-delivery inspection of the Unit (the "PDI") and to list all items remaining incomplete at the time of such inspection together with all mutually agreed deficiencies with respect to the Unit, on the TWC Certificate of Completion and Possession (the "CCP") and the PDI Form, in the forms prescribed from time to time by, and required to be completed pursuant to the provisions of the ONHWPA. The said CCP and PDI Forms shall be executed by both the Purchaser or the Purchaser's designate and the Vendor's representative at the PDI and shall constitute the Vendor's only undertaking with respect to incomplete or deficient work and the Purchaser shall not require any further undertaking of the Vendor to complete any outstanding items. In the event that the Vendor performs any additional work to the Unit in its discretion, the Vendor shall not be deemed to have waived the provision of this paragraph or otherwise enlarged its obligations hereunder.

Tender/Termet

29. (a) The parties waive personal tender and agree that tender, in the absence of any other mutually acceptable arrangement and subject to the provisions of paragraph 30 of this Agreement shall be validly made by the Vendor upon the Purchaser, by a representative of the Vendor attending at the offices of Harris, Sheaffer, LLP at 12:00 noon on the Title Transfer Date or the Occupancy Date as the case may be and remaining there until 5:00 p.m. and is ready, willing and able to complete the transaction. The Purchaser agrees that keys may be released to the Purchaser as the construction site or sales office on the Occupancy Date or the Title Transfer Date, as applicable. The Vendor's advice that the keys are available shall be valid tender of possession of the Property to the Purchaser. In the event the Purchaser or his or her solicitor fails to appear or appears and fails to close, such attendance by the Vendor's representative (which includes the Vendor's Solicitors) shall be deemed satisfactory evidence that the Vendor is ready, willing and able to complete the sale at such time. Payment shall be tendered by certified cheque drawn on any Canadian chartered bank; and
- (d) It is further provided that, notwithstanding subparagraph 29 (a) hereof, in the event the Purchaser or his or her solicitor advise the Vendor or its Solicitors, on or before the Occupancy Date or Title Transfer Date, as applicable, that the Purchaser is unable or unwilling to complete the purchase or take occupancy, the Vendor is relieved of any obligation to make any formal tender upon the Purchaser or his or her solicitor and may exercise forthwith any and all of its right and remedies provided for in this Agreement and at law.
30. As the electronic registration system (hereinafter referred to as the "Teraview Electronic Registration System" or ("TERS") is operative in the applicable Land Titles Office in which the Property is registered, then at the option of the Vendor's solicitor, the following provisions shall prevail:
- (a) The Purchaser shall be obliged to retain a solicitor, who is both an authorized TERS user and in good standing with the Law Society of Upper Canada to represent the Purchaser in connection with the completion of the transaction. The Purchaser shall authorize such solicitor to, at the option of the Vendor's Solicitors, either execute an escrow closing agreement with the Vendor's Solicitor on the standard form recommended by the Law Society of Upper Canada (hereinafter referred to as the "Escrow Document Registration Agreement") establishing the procedures and timing for completing this transaction or to otherwise agree to be bound by the procedures set forth in the Escrow Document Registration Agreement.
- (b) The delivery and exchange of documents, monies and keys to the Unit and the release thereof to the Vendor and the Purchaser, as the case may be:
- (i) shall not occur contemporaneously with the registration of the Transfer/Deed (and other registrable documentation); and
- (ii) shall be governed by the Escrow Document Registration Agreement, pursuant to which the solicitor receiving the documents, keys and/or certified funds will be required to hold same in escrow, and will not be entitled to release same except in strict accordance with the provisions of the Escrow Document Registration Agreement.
- (c) If the Purchaser's solicitor is unwilling or unable to complete this transaction via TERS, in accordance with the provisions contemplated under the Escrow Document Registration Agreement, then said solicitor (or the authorized agent thereof) shall be obliged to personally attend at the office of the Vendor's solicitor, at such time on the Title Transfer Date as may be directed by the Vendor's solicitor or as mutually agreed upon, in order to complete this transaction via TERS utilizing the computer facilities in the Vendor's solicitor's office, and shall pay a fee as determined by the Vendor's solicitor, acting reasonably for the use of the Vendor's computer facilities.
- (d) The Purchaser expressly acknowledges and agrees that he or she will not be entitled to receive the Transfer/Deed to the Unit for registration until the balance of funds due on closing, in accordance with the statement of adjustments, are either remitted by certified cheque via personal delivery or by electronic funds transfer to the vendor's solicitor (or in such other manner as the latter may direct) prior to the release of the Transfer/Deed for registration.
- (e) Each of the parties hereto agrees that the delivery of any documents not intended for registration on title to the Unit may be delivered to the other party hereto by telefax transmission (or by a similar system reproducing the original or by electronic transmission of electronically signed documents through the Internet), provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto which may be by electronic signature. The party transmitting any such document shall also deliver the original of same (unless the document is an electronically signed document pursuant to the *Electronic Commerce Act*) to the recipient party by overnight courier sent the day of closing or within 7 business days of closing, if same has been so requested by the recipient party.
- (f) Notwithstanding anything contained in this agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has:
- (i) delivered all closing documents and/or funds to the Purchaser's solicitor in accordance with the provisions of the Escrow Document Registration Agreement and keys are made available for the Purchaser to pick up at the Vendor's sales of customer service office;
- (ii) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
- (iii) has completed all steps required by TERS in order to complete this transaction that can be performed or undertaken by the Vendor's solicitor without the cooperation or participation of the Purchaser's solicitor, and specifically when the "completeness signatory" for the transfer/deed has been electronically "signed" by the Vendor's solicitor;
- without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents, keys and/or funds, and without any requirement to have an independent witness evidencing the foregoing.

General

31. The Vendor shall provide a statutory declaration on the Title Transfer Date that it is not a non-resident of Canada within the meaning of the ITA.
32. The Vendor and Purchaser agree to pay the costs of registration of their own documents and any tax in connection therewith.
33. The Vendor and the Purchaser agree that there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing.
34. This Offer and its acceptance is to be read with all changes of gender or number required by the context and the terms, provisions and conditions hereof shall be for the benefit of and be binding upon the Vendor and the Purchaser, and as the context of this Agreement permits, their respective heirs, estate trustees, successors and permitted assigns.
35. The Purchaser acknowledges that the suite area of the Unit, as may be represented or referred to by the Vendor or any sales agent, or which appear in any sales material is approximate only, and is generally measured to the outside of all exterior, corridor and stairwell walls, and to the centre line of all party walls separating one unit from another. NOTE: For more information on the method of calculating the floor area of any unit, reference should be made to Builder Bulletin No. 22 published by the TWC. Actual useable floor space may (therefore) vary from any stated or represented floor area or gross floor area, and the extent of the actual or useable living space within the confines of the Unit may vary from any represented square footage or floor area measurement(s) made by or on behalf of the Vendor. In addition, the Purchaser is advised that the floor area measurements are generally calculated based on the middle floor of the Condominium building for each suite type, such that units on lower floors may have less floor space due to thicker structural members, mechanical rooms, etc., while units on higher floors may have more floor space. Accordingly, the Purchaser hereby confirms and agrees that all details and dimensions of the Unit purchased hereunder are approximate only, and that the Purchase Price shall not be subject to any adjustment or claim for compensation whatsoever, whether based upon the ultimate square footage of the Unit, or the actual or useable living space within the confines of the Unit or otherwise. The Purchaser further acknowledges that the ceiling height of the Unit is measured from the upper surface of the concrete floor slab (or subfloor) to the underside surface of the concrete ceiling slab (or joists). However, where ceiling bulkheads are installed within the Unit, and/or where dropped ceilings are required, then the ceiling height of the Unit will be less than that

represented, and the Purchaser shall correspondingly be obliged to accept the same without any abatement or claim for compensation whatsoever.

- 36. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 37. The headings of this Agreement form no part hereof and are inserted for convenience of reference only.
- 38. Each of the provisions of this Agreement shall be deemed independent and severable and the invalidity or unenforceability in whole or in part of any one or more of such provisions shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Agreement, and in such event all the other provisions of this Agreement shall continue in full force and effect as if such invalid provision had never been included herein. The Purchaser and the Vendor acknowledge and agree that this Agreement and all amendments and addenda thereto shall constitute an agreement made under seal.
- 39. (a) If any documents required to be executed and delivered by the Purchaser to the Vendor are, in fact, executed by a third party appointed as the attorney for the Purchaser, then the power of attorney appointing such person must be registered in the Land Titles office where the Lands are registered, and a duplicate registered copy thereof (together with a statutory declaration sworn by the Purchaser's solicitor unequivocally confirming, without any qualification whatsoever, that said power of attorney has not been revoked) shall be delivered to the Vendor along with such documents.
- (g) Where the Purchaser is a corporation, or where the Purchaser is buying in trust for another person or corporation for a disclosed or undisclosed beneficiary or principal (including, without limitation, a corporation to be incorporated), the execution of this Agreement by the principal or principals of such corporation, or by the person named as the Purchaser in trust as the case may be, shall be deemed and construed to constitute the personal indemnity of such person or persons so signing with respect to the obligations of the Purchaser herein and shall be fully liable to the Vendor for the Purchaser's obligations under this Agreement and may not plead such agency, trust relationship or any other relationships as a defence to such liability.

Notice

- 40. (a) Any notice required to be delivered under the provisions of the Taron Addendum shall be delivered in the manner required by paragraph 14 of the Taron Addendum.
- (b) Any other notice given pursuant to the terms of this Agreement shall be deemed to have been properly given if it is in writing and is delivered by hand, ordinary prepaid post, facsimile transmission or electronic mail to the attention of the Purchaser or to the Purchaser's solicitor to their respective addresses indicated herein or to the address of the Unit after the Occupancy Date and to the Vendor at 8791 Woodbine Avenue, Suite 100, Markham, Ontario, L3R 0P4, or to the Vendor's Solicitors at the address indicated in this Agreement or such other address as may from time to time be given by notice in accordance with the foregoing. Such notice shall be deemed to have been received on the day it was delivered by hand, by electronic mail or by facsimile transmission and upon the third day following posting, excluding Saturdays, Sundays and statutory holidays. This agreement or any amendment or addendum thereto may, at the Vendor's option, be properly delivered if it delivered by facsimile transmission or if a copy of same is computer scanned and forwarded by electronic mail to the other party.

Material Change

- 41. The Purchaser acknowledges and agrees that the Vendor may, from time to time in its sole discretion, due to site conditions or constraints, or for marketing considerations, or for any other legitimate reason, including without limitation any request or requirement of any of the governmental authorities or any request or requirement of the Vendor's architect or other design consultants:
 - (h) change the Property's municipal address or numbering of the Unit (in terms of the unit number and/or level number ascribed to any one or more of the units comprising the Unit);
 - (i) change, vary or modify the plans and specifications pertaining to the Unit or the Condominium, or any portion thereof (including architectural, structural, engineering, landscaping, grading, mechanical, site servicing and/or other plans and specifications) from the plans and specifications existing at the inception of the project, or existing at the time that the Purchaser has entered into this Agreement, or as same may be illustrated in any sales brochure(s), model(s) in the sales office or otherwise, including without limitation, making any change to the total number of dwelling, parking, locker and/or other ancillary units intended to be created within the Condominium, and/or any change to the total number of levels or floors within the Condominium, as well as any changes or alterations to the design, style, size and/or configuration of any dwelling or other ancillary units within the Condominium;
 - (j) change, vary, or modify the number, size and location of any windows, column(s) and/or bulkhead(s) within or adjacent to (or comprising part of) the Unit, from the number, size and/or location of same as displayed or illustrated in any sales brochure(s), model(s) or floor plan(s) previously delivered or shown to the Purchaser, including the insertion or placement of any window(s), column(s) and/or bulkhead(s) in one or more locations within the Unit which have not been shown or illustrated in any sales brochure(s), model(s) or floor plan(s) previously delivered or shown to the Purchaser (regardless of the extent or impact thereof), as well as the removal of any window(s), column(s) and/or bulkhead(s) from any location(s) previously shown or illustrated in any sales brochure(s), model(s) in the sales office or otherwise; and/or
 - (k) change the layout of the Unit such that same is a mirror image of the layout shown to the Purchaser (or a mirror image of the layout illustrated in any sales brochure or other marketing material(s) delivered to the Purchaser);

and that the Purchaser shall have absolutely no claim or cause of action whatsoever against the Vendor or its sales representatives (whether based on contract, tort or in equity) for any such changes, deletions, alterations or modifications, nor shall the Purchaser be entitled to any abatement or reduction in the Purchase Price whatsoever as a consequence thereof, nor any notice thereof (unless any such change, deletion, alteration or modification to the said plans and specifications is material in nature (as defined by the Act) and significantly affects the fundamental character, use or value of the Unit and/or the Condominium, in which case the Vendor shall be obliged to notify the Purchaser in writing of such change, deletion, alteration or modification as soon as reasonably possible after the Vendor proposes to implement same, or otherwise becomes aware of same), and where any such change, deletion, alteration or modification to the said plans and specifications is material in nature, then the Purchaser's only recourse and remedy shall be the termination of this Agreement prior to the Title Transfer Date (and specifically within 10 days after the Purchaser is notified or otherwise becomes aware of such material change), and the return of the Purchaser's deposit monies, together with interest accrued thereon at the rate prescribed by the Act.

Cause of Action/Assignment

- 42. (a) The Purchaser acknowledges and agrees that notwithstanding any rights which he or she might otherwise have at law or in equity arising out of this Agreement, the Purchaser shall not assert any of such rights, nor have any claim or cause of action whatsoever as a result of any matter or thing arising under or in connection with this Agreement (whether based on or founded in contract law, tort law or in equity, and whether for innocent misrepresentation, negligent misrepresentation, breach of contract, breach of fiduciary duty, breach of constructive trust or otherwise), against any person, firm, corporation or other legal entity, other than the person, firm, corporation or legal entity specifically named or defined as the Vendor herein, even though the Vendor may be (or may ultimately be found or adjudged to be) a nominee or agent of another person, firm, corporation or other legal entity, or a trustee for and on behalf of another person, firm, corporation or other legal entity, and this acknowledgment and agreement may be pleaded as an estoppel and bar against the Purchaser in any action, suit, application or proceeding brought by or on behalf of the Purchaser to assert any of such rights, claims or causes of action against any such third parties. Furthermore, the Purchaser and the Vendor acknowledge that this Agreement shall be deemed to be a contract under seal.
- (f) At any time prior to the Title Transfer Date, the Vendor shall be permitted to assign this Agreement (and its rights, benefits and interests hereunder) to any person, firm, partnership or corporation registered as a vendor pursuant to the ONHWPA and upon any such assignee assuming all obligations under this Agreement and notifying the Purchaser or the Purchaser's solicitor of such assignment, the Vendor named herein shall be automatically released from all obligations and liabilities to the Purchaser arising from this Agreement, and said assignee shall be deemed for all purposes to be the vendor herein as if it had been an original party to this Agreement, in the place and stead of the Vendor.

Non-Merger

- 43. The covenants and agreements of each of the parties hereto shall not merge on the Title Transfer Date, but shall remain in full force and effect according to their respective terms, until all outstanding obligations of each of the parties hereto have been duly performed or fulfilled

in accordance with the provisions of this Agreement. No further written assurances evidencing or confirming the non-merger of the covenants of either of the parties hereto shall be required or requested by or on behalf of either party hereto.

Notice/Warning Provisions

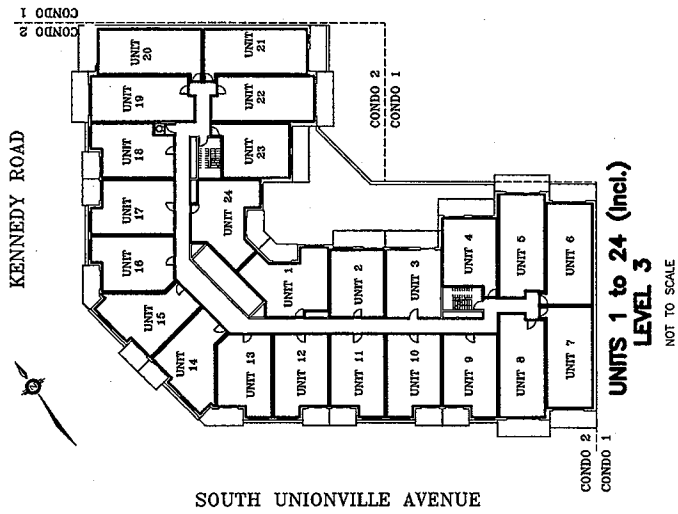
44. The Purchaser acknowledges that it is anticipated by the Vendor that in connection with the Vendor's application to the appropriate governmental authorities for draft plan of condominium approval certain requirements may be imposed upon the Vendor by various governmental authorities. These requirements (the "Requirements") usually relate to warning provisions to be given to Purchasers in connection with environmental or other concerns (such as warnings relating to noise levels, the proximity of the Condominium to major street, garbage storage and pickup, school transportation, and similar matters). Accordingly, the Purchaser covenants and agrees that (1) on either the Occupancy Date or Title Transfer Date, as determined by the Vendor, the Purchaser shall execute any and all documents required by the Vendor acknowledging, *inter alia*, that the Purchaser is aware of the Requirements, and (2) if the Vendor is required to incorporate the Requirements into the final Condominium Documents the Purchaser shall accept the same, without in any way affecting this transaction. Notwithstanding the generality of the foregoing, the Purchaser agrees to be bound by the warnings set forth in Schedule "D" hereto.

Purchaser's Consent to the Collection and Limited Use of Personal Information

45. The Purchaser hereby consents to the Vendor's collection, use and disclosure of the Purchaser's personal information for the purpose of enabling the Vendor to proceed with the Purchaser's purchase of the Unit, completion of this transaction, and for post-closing and after-sales customer care purposes. Such personal information includes the Purchaser's name, home address, e-mail address, telefax/telephone number, age, date of birth, marital and residency status, social insurance number (only with respect to subparagraph (b) below), financial information, desired suite design(s), and colour/finish selections. In particular, but without limiting the foregoing, the Vendor may disclose such personal information to:
- (a) Any relevant governmental authorities or agencies, including without limitation, the Land Titles Office (in which the Condominium is registered), the Ministry of Finance for the Province of Ontario (i.e. with respect to Land Transfer Tax), and the Canada Revenue Agency (i.e. with respect to HST);
 - (b) Canada Revenue Agency, to whose attention the T-5 interest income tax information return and/or the NR4 non-resident withholding tax information return is submitted (where applicable), which will contain or refer to the Purchaser's social insurance number or business registration number (as the case may be), as required by Regulation 201(1)(b)(ii) of the ITA, as amended;
 - (c) The Condominium for the purposes of facilitating the completion of the Condominium's voting, leasing and/or other relevant records and to the Condominium's property manager for the purposes of facilitating the issuance of notices, the collection of common expenses and/or implementing other condominium management/administration functions;
 - (d) any companies or legal entities that are associated with, related to or affiliated with the Vendor, other future condominium declarants that are likewise associated with, related to or affiliated with the Vendor (or with the Vendor's parent/holding company) and are developing one or more other condominium projects or communities that may be of interest to the Purchaser or members of the Purchaser's family, for the limited purposes of marketing, advertising and/or selling various products and/or services to the Purchaser and/or members of the Purchaser's family;
 - (e) any financial institution(s) providing (or wishing to provide) mortgage financing, banking and/or other financial or related services to the Purchaser and/or members of the Purchaser's family, with respect to the Unit, including without limitation, the Vendor's construction lender(s), the quantity surveyor monitoring the Project and its costs, the Vendor's designated construction lender(s), the Tarion Warranty Corporation and/or any warranty bond provider and/or excess condominium deposit insurer, required in connection with the development and/or construction financing of the Condominium and/or the financing of the Purchaser's acquisition of the Property from the Vendor;
 - (f) any insurance companies of the Vendor providing (or wishing to provide) insurance coverage with respect to the Property (or any portion thereof) and/or the common elements of the Condominium, and any title insurance companies providing (or wishing to provide) title insurance to the Purchaser or the Purchaser's mortgage lender(s) in connection with the completion of this transaction;
 - (g) any trades/suppliers or sub-trades/suppliers, who have been retained by or on behalf of the Vendor (or who are otherwise dealing with the Vendor) to facilitate the completion and finishing of the Unit and the installation of any extras or upgrades ordered or requested by the Purchaser;
 - (h) one or more providers of cable television, telephone, telecommunication, security alarm systems, hydro-electricity, chilled water/hot water, gas and/or other similar or related services to the Property (or any portion thereof) and/or the Condominium (collectively, the "Utilities"), unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to one or more of the Utilities;
 - (i) one or more third party data processing companies which handle or process marketing campaigns on behalf of the Vendor or other companies that are associated with, related to or affiliated with the Vendor, and who may send (by e-mail or other means) promotional literature/brochures about new condominiums and/or related services to the Purchaser and/or members of the Purchaser's family, unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to said third party data processing companies;
 - (j) the Vendor's solicitors, to facilitate the interim occupancy and/or final closing of this transaction, including the closing by electronic means via the Teraview Electronic Registration System, and which may (in turn) involve the disclosure of such personal information to an internet application service provider for distribution of documentation;
 - (k) any person, where the Purchaser further consents to such disclosure or disclosures required by law.

Any questions or concerns of the Purchaser with respect to the collection, use or disclosure of his or her personal information may be delivered to the Vendor at the address set out in the Tarion Addendum, Attention: Privacy Officer.

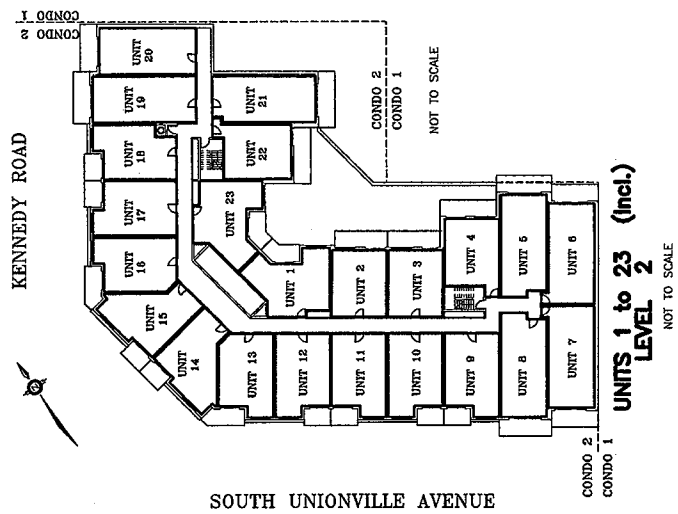
SCHEDULE "A"
TO THE AGREEMENT OF PURCHASE AND SALE



UNITS 1 to 24 (incl.)
LEVEL 3
 NOT TO SCALE

LEVEL _____

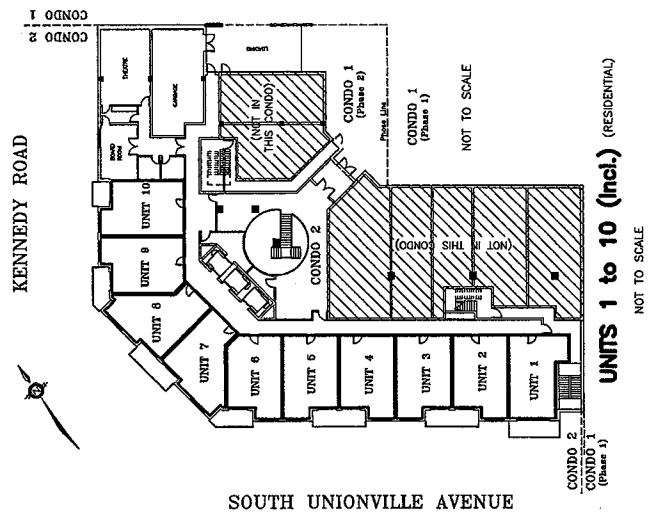
UNIT _____



UNITS 1 to 23 (incl.)
LEVEL 2
 NOT TO SCALE

LEVEL _____

UNIT _____

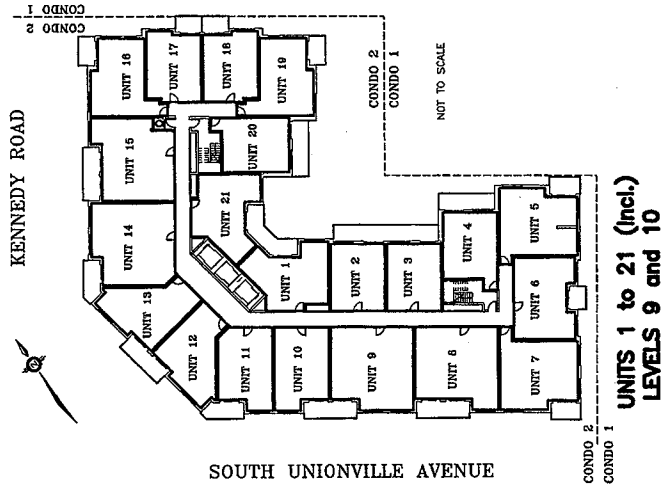


UNITS 1 to 10 (incl.) (RESIDENTIAL)
 NOT TO SCALE

LEVEL _____

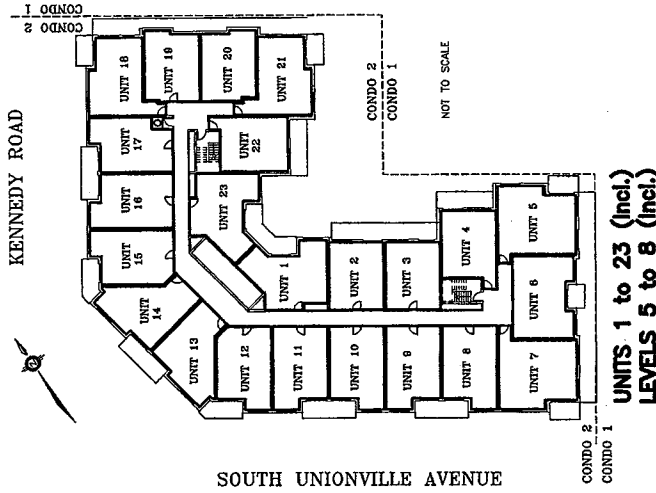
UNIT _____

SCHEDULE "A"
TO THE AGREEMENT OF PURCHASE AND SALE



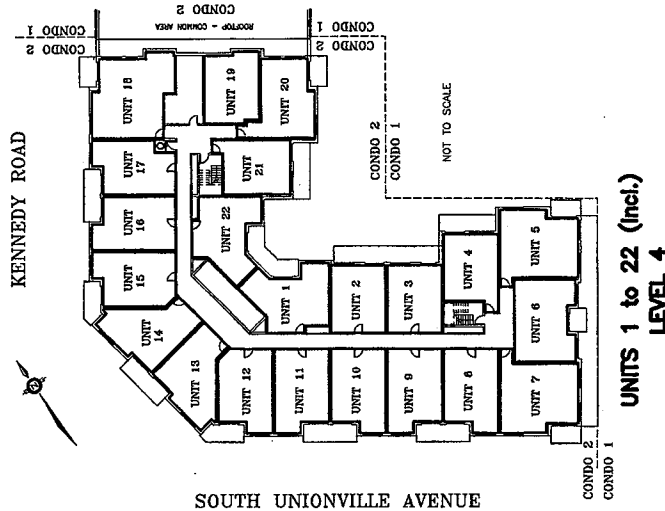
LEVEL _____

UNIT _____



LEVEL 7

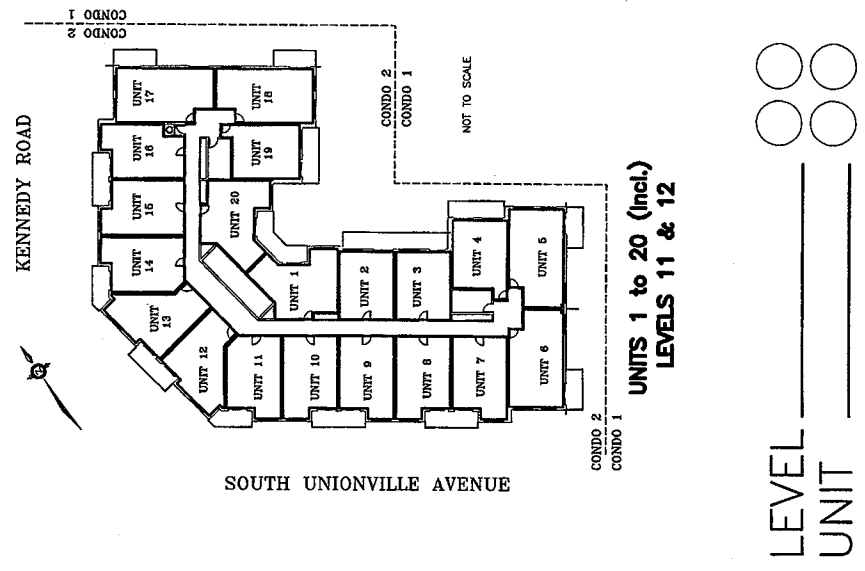
UNIT 22



LEVEL _____

UNIT _____

SCHEDULE "A"
TO THE AGREEMENT OF PURCHASE AND SALE



SCHEDULE "B" TO THE AGREEMENT OF PURCHASE AND SALE

FEATURES AND FINISHESThe following are included in the Purchase Price:

Suites at *The Residences at South Unionville Square* to include the following standard features and finishes;

- Individual unitized parking space
- Individual storage locker
- Laminate hardwood in the living, dining and den areas
- 40oz carpet with foam under pad in bedroom(s)
- Ceramic tile in kitchen, laundry and bathroom(s) areas
- Sliding closet/storage areas doors
- In-suite heating and cooling unit with thermostat for individual climate control of suite
- Texture spray finished ceilings, except kitchens and bathrooms which have smooth finished ceilings
- Trim package including nominal 4" painted base, lever passage and privacy sets
- Interior walls are primed and then painted with two coats of off-white, latex paint (bathroom(s), and all woodwork and trim painted with white semi-gloss paint). Paints have low levels of volatile organic compounds (VOCs).
- 6'8" interior doors with lever hardware, complete with casings
- 7' entry door with security peeper
- Balcony and Terrace access via sliding patio door(s)
- Windows - double pane, sealed glazed units
- For non-penthouse units where ceiling bulkheads are installed, the ceiling height will be less than the nominal 9 feet. Where dropped ceilings are required, (in areas such as foyers, closets, kitchens, dining rooms, bathrooms, laundry rooms and hallways), the ceiling height will also be less than the nominal 9 feet.
- For penthouse units where ceiling bulkheads are installed, the ceiling height will be less than the nominal 10 feet. Where dropped ceilings are required, (in areas such as foyers, closets, kitchens, dining rooms, bathrooms, laundry rooms and hallways), the ceiling height will also be less than the nominal 10 feet.

Kitchens

- Stainless steel brand name Energy Star® refrigerator and dishwasher
- Stainless steel brand name electric range
- Stainless steel brand name high velocity hood vent, vented to the exterior
- Kitchen cabinetry per suite design. Cabinets complete with handles
- Granite kitchen countertop
- Stainless steel sink
- Single lever kitchen faucet, complete with pull out spray

Bathrooms

- Cultured marble vanity with integrated basin and single lever faucet for the bathroom(s)
- Vanity mirror in clear finish
- Bathtub with single lever faucet and showerhead
- Ceramic tiles in tub area to ceiling height
- Temperature controlled shower faucet
- Low-flow shower head(s)
- Ceramic tile flooring
- Low consumption toilet(s)

Laundry

- Brand name stackable washer & dryer combination unit
- Heavy-duty wiring and plug receptacle for dryer
- Dryer vented to exterior

Safety and Security

- Concierge service at main level lobby
- Access control system located in the lobby vestibule to communicate with residents from the building lobby entrance. Guests in the lobby vestibule can be viewed on the resident's television.
- Access to enclosed parking areas will be restricted to residents of the building by way of a controlled access card or opener system
- Heat detector(s) connected to fire annunciation panel
- Hard wired smoke alarm(s)

Electrical Service and Fixtures

- Individual electrical power service, separately metered
- Builder series receptacles and switches throughout
- Light fixtures in foyer, hallway(s), kitchen, breakfast area, and den per suite design
- Capped ceiling light outlet in bedroom, dining and den areas

Communications

- Pre-wired telephone outlet in living room, bedroom(s), den and kitchen
- Pre-wired for high speed internet access
- Pre-wired for cable television

N.B. Subject to paragraph 4 of the Agreement of Purchase and Sale attached hereto, the Vendor shall have the right to substitute other products and materials for those listed in this Schedule or provided for in the plans and specifications provided that the substituted products and materials are of a quality equal to, or better than, the products and materials so listed or so provided.

1. Marble and wood are subject to natural variations in colour and grain. Ceramic tile and broadloom are subject to pattern, shade and colour variations.
2. If the Unit is at a stage of construction which will enable the Vendor to permit the Purchaser to make colour and material choices from the Vendor's standard selections, then the Purchaser shall have until the Vendor's date designated by the Vendor (of which the Purchaser shall be given at least seven (7) days prior to notice) to properly complete the Vendor's colour and material selection form. If the Purchaser fails to do so within such time period, the Vendor may irrevocably exercise all of the Purchaser's rights to colour and material selections hereunder and such selections shall be binding upon the Purchaser. No changes whatsoever shall be permitted in colours or materials so selected by the Vendor, except that the Vendor shall have the right to substitute other materials and items for those provided in this Schedule provided that such materials and items are of equal quality to or better than the materials and items set out herein.
3. The Purchaser acknowledges that there shall be no reduction in the price or credit for any standard feature listed herein which is omitted at the Purchaser's request.
4. References to model types or model numbers refer to current manufacturer's models. If these types or models shall change, the Vendor shall provide an equivalent model.
5. All dimensions, if any, are approximate.
6. All specifications and materials are subject to change without notice.
7. Pursuant to this Agreement or this Schedule or pursuant to a supplementary agreement or purchase order the Purchase may have requested the Vendor to construct an additional feature within the Unit which is in the nature of an optional extra (such as, by way of example only, a fireplace); if, as a result of building, construction or site conditions within the Unit or the Building, the Vendor is not able to construct such extra, then the Vendor may, by written notice to the Purchaser, terminate the Vendor's obligation to construct the extra. In such event, the Vendor shall refund to the Purchaser the monies, if any, paid by the Purchaser to the Vendor in respect of such extra, without interest and in all other respects this Agreement shall continue in full force and effect.

Floor and specific features will depend on the Vendor's package as selected.

M:1091090259\Masters\APS - Residential Units (May 2011).DOC

SCHEDULE "C" TO AGREEMENT OF PURCHASE AND SALE

TERMS OF OCCUPANCY LICENCE

- C.1 The transfer of title to the Unit shall take place on the Title Transfer Date upon which date, unless otherwise expressly provided for hereunder, the term of this Occupancy Licence shall be terminated.
- C.2 The Purchaser shall pay or have paid to the Vendor, on or before the Occupancy Date, by certified cheque drawn on a Canadian chartered bank the amount set forth in paragraph 1(b) of this Agreement without adjustment. Upon payment of such amount on the Occupancy Date, the Vendor grants to the Purchaser a licence to occupy the Unit from the Occupancy Date.
- C.3 The Purchaser shall pay to the Vendor the Occupancy Fee calculated as follows:
 - (a) the amount of interest payable in respect of the unpaid balance of the Purchase Price at the prescribed rate;
 - (b) an amount reasonably estimated by the Vendor on a monthly basis for municipal realty taxes attributable by the Vendor to the Unit; and
 - (c) the projected monthly common expense contribution for the Unit;

as an occupancy charge on the first day of each month in advance during Interim Occupancy, no part of which shall be credited as payments on account of the Purchase Price, but which payments shall be a charge for occupancy only. If the Occupancy Date is not the first day of the month, the Purchaser shall pay on the Occupancy Date a pro rata amount for the balance of the month by certified funds. The Purchaser shall deliver to the Vendor on or before the Occupancy Date a series of post-dated cheques as required by the Vendor for payment of the estimated monthly Occupancy Fee. The Occupancy Fee may be recalculated by the Vendor, from time to time based on revised estimates of the items which may be lawfully taken into account in the calculation thereof and the Purchaser shall pay to the Vendor such revised Occupancy Fee following notice from the Vendor. With respect to taxes, the Purchaser agrees that the amount estimated by the Vendor on account of municipal realty taxes attributed to the Unit shall be subject to recalculation based upon the real property tax assessment or reassessment of the Units and/or Condominium, issued by the municipality after the Title Transfer Date and the municipal tax mill rate in effect as at the date such assessment or reassessment is issued. The Occupancy Fee shall thereupon be recalculated by the Vendor and any amount owing by one party to the other shall be paid upon demand.
- C.3 The Purchaser shall be allowed to remain in occupancy of the Unit during Interim Occupancy provided the terms of this Occupancy Licence and the Agreement have been observed and performed by the Purchaser. In the event the Purchaser breaches the terms of occupancy the Vendor in its sole discretion and without limitation of any other rights or remedies provided for in this Agreement or at law may terminate this Agreement and revoke the Occupancy Licence whereupon the Purchaser shall be deemed a trespasser and shall give up vacant possession forthwith. The Vendor may take whatever steps it deems necessary to obtain vacant possession and the Purchaser shall reimburse the Vendor for all costs it may incur.
- C.4 At or prior to the time that the Purchaser takes possession of the Unit, the Purchaser shall execute and deliver to the Vendor any documents, directions, acknowledgments, assumption agreements or any and all other documents required by the Vendor pursuant to this Agreement, in the same manner as if the closing of the transaction was taking place at that time.
- C.5 The Purchaser shall pay the monthly Occupancy Fee during Interim Occupancy and the Vendor shall destroy all unused post-dated Occupancy Fee cheques on or shortly after the Title Transfer Date.
- C.6 The Purchaser agrees to maintain the Unit in a clean and sanitary condition and not to make any alterations, improvements or additions thereto without the prior written approval of the Vendor which may be unreasonably withheld. The Purchaser shall be responsible for all utility, telephone expenses, cable television service, or other charges and expenses billed directly to the occupant of the Unit by the supplier of such services and not the responsibility of the Corporation under the Condominium Documents.
- C.7 The Purchaser's occupancy of the Unit shall be governed by the provisions of the Condominium Documents and the provisions of this Agreement. The Unit may only be occupied and used in accordance with the Condominium Documents and for no other purpose.
- C.8 The Vendor covenants to proceed with all due diligence and dispatch to register the Creating Documents. If the Vendor for any reason whatsoever is unable to register the Creating Documents and therefore is unable to deliver a registrable Transfer/Deed to the Purchaser within twenty-four (24) months after the Occupancy Date, the Purchaser or Vendor shall have the right after such twenty-four (24) month period to give sixty (60) days written notice to the other, of an intention to terminate the Occupancy Licence and this Agreement. If the Vendor and Purchaser consent to termination, the Purchaser shall give up vacant possession and pay the Occupancy Fee to such date, after which this Agreement and Occupancy Licence shall be terminated and all moneys paid to the Vendor on account of the Purchase Price shall be returned to the Purchaser together with interest required by the Act, subject however, to any repair and redecorating expenses of the Vendor necessary to restore the Unit to its original state of occupancy, reasonable wear and tear excepted. The Purchaser and Vendor each agree to provide a release of this Agreement in the Vendor's standard form. If the Vendor and Purchaser do not consent to termination, the provisions of subsection 79(3) of the Act may be invoked by the Vendor.
- C.9 The Vendor and the Purchaser covenant and agree, notwithstanding the taking of possession, that all terms hereunder continue to be binding upon them and that the Vendor may enforce the provisions of the Occupancy Licence separate and apart from the purchase and sale provisions of this Agreement.
- C.10 The Purchaser acknowledges that the Vendor holds a fire insurance policy on the Condominium including all aspects of a standard unit only and not on any improvements or betterments made by or on behalf of the Purchaser. It is the responsibility of the Purchaser, after the Occupancy Date to insure the improvements or betterments to the Unit and to replace and/or repair same if they are removed, injured or destroyed. The Vendor is not liable for the Purchaser's loss occasioned by fire, theft or other casualty, unless caused by the Vendor's willful conduct.
- C.11 The Purchaser agrees to indemnify the Vendor for all losses, costs and expenses incurred as a result of the Purchaser's neglect, damage or use of the Unit or the Condominium, or by reason of injury to any person or property in or upon the Unit or the Condominium resulting from the negligence of the Purchaser, members of his immediate family, servants, agents, invitees, tenants, contractors and licensees. The Purchaser agrees that should the Vendor elect to repair or redecorate all or any part of the Unit or the Condominium as a result of the Purchaser's neglect, damage or use of the Unit or Condominium, he will immediately reimburse the Vendor for the cost of doing same, the determination of need for such repairs or redecoration shall be at the discretion of the Vendor, and such costs may be added to the Purchase Price.
- C.12 In accordance with subsections 80(6)(d) and (e) of the Act, subject to strict compliance by the Purchaser with the requirements of occupancy set forth in this Agreement, the Purchaser shall not have the right to assign, sublet or in any other manner dispose of the Occupancy Licence during Interim Occupancy without the prior written consent of the Vendor which consent may be arbitrarily withheld. The Purchaser acknowledges that an administrative fee will be payable to the Vendor each time the Purchaser wishes to assign, sublet or dispose of the Occupancy Licence during Interim Occupancy.
- C.13 The provisions set forth in this Agreement, unless otherwise expressly modified by the terms of the Occupancy Licence, shall be deemed to form an integral part of the Occupancy Licence. In the event the Vendor elects to terminate the Occupancy Licence pursuant to this Agreement following substantial damage to the Unit and/or the Condominium, the Occupancy Licence shall terminate forthwith upon notice from the Vendor to the Purchaser. If the Unit and/or the Condominium can be repaired within a reasonable time following damages as determined by the Vendor (but not, in any event, to exceed one hundred and eighty (180) days) and the Unit is, during such period of repairs uninhabitable, the Vendor shall proceed to carry out the necessary repairs to the Unit and/or the Condominium with all due dispatch and the Occupancy Fee shall abate during the period when the Unit remains uninhabitable; otherwise, the Purchaser shall vacate the Unit and deliver up vacant possession to the Vendor and all moneys, to the extent provided for in paragraph 20 hereof (excluding the Occupancy Fee paid to the Vendor) shall be returned to the Purchaser. It is understood and agreed that the proceeds of all insurance policies held by the Vendor are for the benefit of the Vendor alone.

SCHEDULE "D" TO AGREEMENT OF PURCHASE AND SALE

WARNING CLAUSES

- (a) The Purchaser acknowledges that it is anticipated by the Vendor that in connection with the Vendor's application to the appropriate governmental authorities for draft plan of condominium approval certain requirements may be imposed upon the Vendor by various governmental authorities. These requirements (the "Requirements") usually relate to warning provisions to be given to Purchasers in connection with environmental or other concerns (such as warnings relating to noise levels, the proximity of the Condominium to major street, garbage storage and pickup, school transportation, and similar matters). Accordingly, the Purchaser covenants and agrees that (1) on either the Occupancy Date or the Title Transfer Date, the Purchaser shall execute any and all documents required by the Vendor acknowledging, inter alia, that the Purchaser is aware of the Requirements, and (2) if the Vendor is required to incorporate the Requirements into the final Condominium Documents the Purchaser shall accept the same, without in any way affecting this transaction.
- (b) The Purchaser is hereby advised that noise levels caused by the Condominium's mechanical equipment, the loading and unloading of tractor trailers in the adjacent commercial condominium and the daily operation of businesses within Units in the adjacent condominium corporation may occasionally cause noise and inconvenience to Unit occupants.
- (c) The Purchaser is hereby advised that the Vendor's builder's risk and/or comprehensive liability insurance (effective prior to the registration of the Condominium), and the Condominium's master insurance policy (effective from and after the registration of the Condominium) will only cover the common elements and the standard unit and will not cover any betterments or improvements made to the standard unit, nor any furnishings or personal belongings of the Purchaser or other residents of the Unit, and accordingly the Purchaser should arrange for his or her own insurance coverage with respect to same, effective from and after the Occupancy Date, all at the Purchaser's sole cost and expense.
- (d) The Purchaser acknowledges and agrees that the Vendor (and any of its authorized agents, representatives and/or contractors), as well as one or more authorized representatives of the Condominium, shall be permitted to enter the Unit after the Occupancy Date, from time to time, in order to enable the Vendor to correct outstanding deficiencies or incomplete work for which the Vendor is responsible, and to enable the Condominium to inspect the condition or state of repair of the Unit and undertake or complete any requisite repairs thereto (which the owner of the Unit has failed to do) in accordance with the Act.
- (e) Purchasers are advised that noise and/or odour levels from surrounding commercial and/or industrial businesses, may be of concern and occasionally interfere with some activities of the Unit occupants as the sound levels may exceed the Municipality's and the Ministry of Environment's noise criteria.
- (f) The Purchaser acknowledges being advised of the following notices:
- (i) Despite the best efforts of the York Region Public School Board, sufficient accommodation may not be locally available for all students anticipated from the development area and that students may be accommodated in facilities outside the area, and further, the students may later be transferred.
 - (ii) Purchasers agree for the purpose of transportation to school if bussing is provided by the York Region Public School Board in accordance with the Board's policy, that students will not be bussed from home to school, but will meet the bus at designated locations in or outside the area*
- (g) The Purchaser specifically acknowledges and agrees that the Condominium will be developed in accordance with any requirements that may be imposed, from time to time, by any of the governmental authorities, and that the proximity of the Condominium to major arterial roads (namely, Kennedy Road and Highway 407), as well as to public transit services, and railways may result in noise and/or vibration transmissions to the Property, and cause noise exposure levels affecting the Property to exceed the noise criteria established by the governmental authorities, and that despite the inclusion of noise control features within the Condominium, noise levels from the aforementioned sources may continue to be of concern, occasionally interfering with some activities of the residential occupants in the Condominium. The Purchaser nevertheless agrees to complete this transaction in accordance with the terms hereof, notwithstanding the existence of such potential noise concerns, and the Purchaser further acknowledges and agrees that a noise-warning clause similar to the preceding sentence (subject to amendment by any wording or text recommended by the Vendor's noise consultants or by any of the governmental authorities) may be registered on title to the Property on the Title Transfer Date, if, in fact, same is required by any of the governmental authorities.
- (h) The Vendor reserves the right to increase or decrease the final number of, residential, parking, and/or other ancillary units intended to be created within the Condominium, as well as the right to alter the design, style, size and/or configuration of the units ultimately comprised within the Condominium which have not yet been sold by the Vendor to any unit purchaser(s), all in the Vendor's sole discretion, and the Purchaser expressly acknowledges and agrees to the foregoing, provided that the final budget for the first year following registration of the Condominium is prepared in such a manner so that any such variance in the unit count will not affect, in any material or substantial way, the percentages of common expenses and common interests allocated and attributable to the residential, parking and/or locker units sold by the Vendor to the Purchaser. Without limiting the generality of the foregoing, the Purchaser further acknowledges and agrees that one or more units situate adjacent to one another may be combined or amalgamated prior to the registration of the Condominium, in which case the common expenses and common interests attributable to such proposed former units will be incorporated into one figure or percentage in respect of the final combined unit, and the overall unit count of the Condominium will be varied and adjusted accordingly. None of the foregoing changes or revisions (if implemented) shall in any way be considered or construed as a material change to the disclosure statement prepared and delivered by the Vendor to the Purchaser in connection with this transaction.
- (i) Purchasers are advised that the Vendor's marketing material and site drawings and renderings ("Marketing Material") which they may have reviewed prior to the execution of this Agreement remains conceptual and that final building plans are subject to the final review and approval of any applicable governmental authority and the Vendor's design consultants and engineers, and accordingly such Marketing Material does not form part of this Agreement or the Vendor's obligations hereunder.
- (j) The Purchaser acknowledges and agrees that the Vendor reserves the right to add or relocate certain mechanical equipment within the Unit, including but not limited to, a heat pump system and ancillary equipment, to be located and placed along either the interior of an outside wall or an interior demising wall, in accordance with engineering and/or architectural requirements.
- (k) It is further acknowledged that one or more of the Development Agreements may require the Vendor to provide the Purchaser with certain notices, including without limitation, notices regarding such matters as land use, the maintenance of retaining walls, landscaping features and/or fencing, noise abatement features, garbage storage and pick-up, school transportation, and noise/vibration levels from adjacent roadways and/or nearby railway lines. The Purchaser agrees to be bound by the contents of any such notice(s), whether given to the Purchaser at the time that this Agreement has been entered into, or at any time thereafter up to the Title Transfer Date, and the Purchaser further covenants and agrees to execute, forthwith upon the Vendor's request, an express acknowledgment confirming the Purchaser's receipt of such notice(s) in accordance with (and in full compliance of) such provisions of the Development Agreement(s), if and when required to do so by the Vendor.
- (l) Residents of the Condominium are absolutely prohibited from altering the grading and/or drainage patterns established by the Vendor in respect of the Condominium, and subject to the provisions of the declaration, by-laws and rules of the Condominium in force from time to time, residents shall not place any fence, shrub, bush, hedge or other landscaping treatment on any portion of the common elements.

- (m) Whereas, despite the best efforts of the York Region Catholic Separate School Board, sufficient accommodation may not be available for all anticipated students from the area, you are hereby notified that students may be accommodated in temporary facilities and/or bussed to a school outside the neighbourhood, and further, that students may later be transferred to the neighbourhood school.
- (n) The Purchasers agree that for the purpose of transportation to school, the residents shall agree that children will meet the bus on roads presently in existence or at another designated place designated by the Board.
- (o) The Purchaser acknowledges that the snow removal for the site will not be completed by the local municipality. The Purchaser acknowledges that the property is subject to a Condominium Agreement which must address snow removal.
- (p) The Purchaser acknowledges that garbage removal from the site will be completed by a private contractor unless the local municipality and the Region at their discretion, agree to extend garbage and recycling service to the Condominium. Designated pickup dates and areas will be arranged.

M:\091090259\Wasters\APS - Residential Units (May 2011).DOC

SCHEDULE "E" TO AGREEMENT OF PURCHASE AND SALE

THE UNDERSIGNED being the Purchaser of the Unit hereby acknowledges having received from the Vendor with respect to the purchase of the Unit the following document on the date noted below:

- 1. A Disclosure Statement dated May 29, 2009 and re-issued May 26, 2011 and accompanying documents in accordance with Section 72 of the Act.
- 2. A copy of the Agreement of Purchase and Sale (to which this acknowledgment is attached as a Schedule) executed by the Vendor and the Purchaser.

The Purchaser hereby acknowledges that the Condominium Documents required by the Act have not been registered by the Vendor, and agrees that the Vendor may, from time to time, make any modification to the Condominium Documents in accordance with its own requirements and the requirements of any mortgagee, governmental authority, examiner of Legal Surveys, the Land Registry Office or any other competent authority having jurisdiction to permit registration thereof.

The Purchaser further acknowledges and agrees that in the event there is a material change to the Disclosure Statement as defined in subsection 74(2) of the Act, the Purchaser's only remedy shall be as set forth in subsection 74(6) of the Act, notwithstanding any rule of law or equity to the contrary.

The Purchaser further acknowledges having been advised that the Purchaser shall be entitled to rescind or terminate the Agreement to which this Schedule is attached and obtain a refund of all deposit monies paid thereunder (together with all interest accrued thereon at the rate prescribed by the Act, if applicable), provided written notice of the Purchaser's desire to so rescind or terminate the Agreement is delivered to the Vendor or the Vendor's Solicitors within 10 days after the date set out below.

DATED at Toronto, this 9 day of DECEMBER, 2011

WITNESS:

)
)
)
)
)

Purchaser

Purchaser

M:1091090259MastersAPS - Residential Units (May 2011).DOC

Property The Residences of South Unionville Square
Markham, Ontario

Statement Of Critical Dates
Delayed Occupancy Warranty

This Statement of Critical Dates forms part of the Addendum to which it is attached, which in turn forms part of the agreement of purchase and sale between the Vendor and the Purchaser relating to the Property. The Vendor must complete all blanks set out below.

NOTE TO HOME BUYERS: Please visit Tarion's website: www.tarion.com for important information about all Tarion's warranties including the Delayed Occupancy Warranty, the Pre-Delivery Inspection and other matters of interest to new home buyers. You can also obtain a copy of the Homeowner Information Package which is strongly recommended as essential reading for all home buyers. The website features a calculator which will assist you in confirming the various Critical Dates related to the occupancy of your condominium unit.

VENDOR Jade-Kennedy (Residential) Development Corporation
Full Name(s)
PURCHASER BRODY WALL SYSTEM LTD.
Full Name(s)

1. Critical Dates

The First Tentative Occupancy Date, which is the date that the Vendor anticipates the condominium home will be completed and ready to move in, is: the 16th day of December, 2014.

The Vendor can delay Occupancy on one or more occasions by setting a subsequent Tentative Occupancy Date, in accordance with section 3 of the Addendum by giving proper written notice as set out in section 3.

By no later than 30 days after completion of the roof slab or of the roof trusses and sheathing, as the case may be, with 90 days prior written notice, the Vendor shall set either (i) a Final Tentative Occupancy Date; or (ii) a Firm Occupancy Date.

If the Vendor sets a Final Tentative Occupancy Date but cannot provide Occupancy by the Final Tentative Occupancy Date, then the Vendor shall set a Firm Occupancy Date that is no later than 120 days after the Final Tentative Occupancy Date, with proper written notice as set out in section 3 below.

If the Vendor cannot provide Occupancy by the Firm Occupancy Date, then the Purchaser is entitled to delayed occupancy compensation (see section 9 of the Addendum) and the Vendor must set a Delayed Occupancy Date which cannot be later than the Outside Occupancy Date.

The Outside Occupancy Date, which is the latest date by which the Vendor agrees to provide Occupancy, is: the 29th day of April, 2016.

2. Notice Period for an Occupancy Delay

Changing an Occupancy date requires proper written notice. The Vendor, without the Purchaser's consent, may delay occupancy one or more times in accordance with section 3 of the Addendum and no later than the Outside Occupancy Date.

Notice of a delay beyond the First Tentative Occupancy Date must be given no later than: the 17th day of September, 2014. (i.e., 90 days before the First Tentative Occupancy Date), or else the First Tentative Occupancy Date automatically becomes the Firm Occupancy Date.

3. Purchaser's Termination Period

If the condominium home is not complete by the Outside Occupancy Date, and the Vendor and the Purchaser have not otherwise agreed, then the Purchaser can terminate the transaction during a period of 30 days thereafter (the "Purchaser's Termination Period"), which period could end as late as: the 30th day of May, 2016.

If the Purchaser terminates the transaction during the Purchaser's Termination Period, then the Purchaser is entitled to delayed occupancy compensation and to a full refund of all monies paid plus interest (see sections 9, 11 and 12 of the Addendum).

Note: Anytime a Critical Date is set or changed as permitted in the Addendum, other Critical Dates may change as well. At any given time the parties must refer to the most recent agreement or written notice that sets a Critical Date, and calculate revised Critical Dates using the formulas contained in the Addendum. Critical Dates can also change if there are unavoidable delays (see section 7 of the Addendum).

Acknowledged this 24th day of December, 2014.
VENDOR: [Signature]
PURCHASER: [Signature]

Addendum to Agreement of Purchase and Sale Delayed Occupancy Warranty

This addendum, including the accompanying Statement of Critical Dates (the "Addendum"), forms part of the agreement of purchase and sale (the "Purchase Agreement") between the Vendor and the Purchaser relating to the Property. It contains important provisions that are part of the delayed occupancy warranty provided by the Vendor in accordance with the *Ontario New Home Warranties Plan Act* (the "Act"). If there are any differences between the provisions in the Addendum and the Purchase Agreement, then the Addendum provisions shall prevail. **PRIOR TO SIGNING THE PURCHASE AGREEMENT OR ANY AMENDMENT TO IT, THE PURCHASER SHOULD SEEK ADVICE FROM A LAWYER WITH RESPECT TO THE PURCHASE AGREEMENT OR AMENDING AGREEMENT, THE ADDENDUM AND THE DELAYED OCCUPANCY WARRANTY.**

The Vendor shall complete all blanks set out below.

VENDOR			
Jade-Kennedy (Residential) Development Corporation			
Full Name(s)			
39700	8791 Woodbine Avenue, Suite 100		
Tarion Registration Number	Address		
905-944-0907	Markham	Ontario	L3R 0P4
Phone	City	Province	Postal Code
905-944-0916	jbolton@mady.com		
Fax	Email		
PURCHASER			
BRODY WALL SYSTEM LTD.			
Full Name(s)			
104 KENHAR DRIVE, UNIT # 8			
Address			
(416) 738-7400	TORONTO, ON	M9L 1N4	
Phone	City	Province	Postal Code
Fax	Email		
PROPERTY DESCRIPTION			
8323 Kennedy Road (proposed)			
Municipal Address			
Markham	Ontario	TBA	
City	Province	Postal Code	
Part of Lot 9, Concession 8 (Geographic Township of Markham), Blocks 172, 173 and 174, Plan 65M-3178:			
Short Legal Description			
Part of Lots 1, 2 and 3, Plan 2196, Town of Markham, Regional Municipality of York			
INFORMATION REGARDING THE PROPERTY			
The Vendor confirms that:			
(a) The Vendor has obtained Formal Zoning Approval for the Building.			<input checked="" type="radio"/> Yes <input type="radio"/> No
If no, the Vendor shall give written notice to the Purchaser within 10 days after the date that Formal Zoning Approval for the Building is obtained.			
(b) Commencement of Construction: <input checked="" type="radio"/> has occurred; or <input type="radio"/> is expected to occur by the ____ day of _____, 20____.			
The Vendor shall give written notice to the Purchaser within 10 days after the actual date of Commencement of Construction.			

1. Definitions

- "Building" means the condominium building or buildings contemplated by the Purchase Agreement, in which the Property is located or is proposed to be located.
- "Business Day" means any day other than: Saturday; Sunday; New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day; and any special holiday proclaimed by the Governor General or the Lieutenant Governor; and where New Year's Day, Canada Day or Remembrance Day falls on a Saturday or Sunday, the following Monday is not a Business Day, and where Christmas Day falls on a Saturday or Sunday, the following Monday and Tuesday are not Business Days; and where Christmas Day falls on a Friday, the following Monday is not a Business Day.
- "Commencement of Construction" means the commencement of construction of foundation components or elements (such as footings, rafts or piles) for the Building.
- "Critical Dates" means the First Tentative Occupancy Date, any subsequent Tentative Occupancy Date, the Final Tentative Occupancy Date, the Firm Occupancy Date, the Delayed Occupancy Date, the Outside Occupancy Date and the last day of the Purchaser's Termination Period.
- "Delayed Occupancy Date" means the date, set in accordance with section 6, on which the Vendor agrees to provide Occupancy, in the event the Vendor cannot provide Occupancy on the Firm Occupancy Date.
- "Early Termination Conditions" means the types of conditions listed in Schedule A.
- "Firm Occupancy Date" means the firm date on which the Vendor agrees to provide Occupancy as set in accordance with this Addendum.
- "First Tentative Occupancy Date" means the date on which the Vendor, at the time of signing the Purchase Agreement, anticipates that the condominium home will be complete and ready for Occupancy, as set out in the Statement of Critical Dates.
- "Final Tentative Occupancy Date" means the last Tentative Occupancy Date that may be set, in accordance with paragraph 3(d).
- "Formal Zoning Approval" occurs when the zoning by-law required in order to construct the Building has been approved by all relevant governmental authorities having jurisdiction, and the period for appealing the approvals has elapsed and/or any appeals have been dismissed or the approval affirmed.
- "Occupancy" means the right to use or occupy a proposed or registered condominium home in accordance with the Purchase Agreement.
- "Outside Occupancy Date" means the latest date that the Vendor agrees, at the time of signing the Purchase Agreement, to provide Occupancy to the Purchaser, as set out in the Statement of Critical Dates.
- "Property" or "condominium home" means the condominium dwelling unit being acquired by the Purchaser from the Vendor, and its appurtenant interest in the common elements.
- "Purchaser's Termination Period" means the 30-day period during which the Purchaser may terminate the Purchase Agreement for delay, in accordance with paragraph 11(b).
- "Statement of Critical Dates" means the Statement of Critical Dates attached to or accompanying this Addendum (in form to be determined by the Tarion Registrar from time to time). The Statement of Critical Dates must be signed by both the Vendor and Purchaser.
- "Tentative Occupancy Date" has the meaning given to it in paragraph 3(c).
- "The Act" means the *Ontario New Home Warranties Plan Act* including regulations, as amended from time to time.
- "Unavoidable Delay" means an event which delays Occupancy which is a strike, fire, explosion, flood, act of God, civil insurrection, act of war, act of terrorism or pandemic, plus any period of delay directly caused by the event, which are beyond the reasonable control of the Vendor and are not caused or contributed to by the fault of the Vendor.
- "Unavoidable Delay Period" means the number of days between the Purchaser's receipt of written notice of the commencement of the Unavoidable Delay, as required by paragraph 7(b), and the date on which the Unavoidable Delay concludes.

2. Early Termination Conditions

- (a) The Vendor and Purchaser may include conditions in the Purchase Agreement that, if not satisfied, give rise to early termination of the Purchase Agreement, but only in the limited way described in this section.
 - (b) The Vendor is not permitted to include any conditions in the Purchase Agreement other than: the types of Early Termination Conditions listed in Schedule A; and/or the conditions referred to in paragraphs 2(h), (i) and (j) below. Any other condition included in a Purchase Agreement for the benefit of the Vendor that is not expressly permitted under Schedule A or paragraphs 2(h) or (i) is deemed null and void and is not enforceable by the Vendor, but does not affect the validity of the balance of the Purchase Agreement.
 - (c) The Vendor confirms that:
 - (i) This Purchase Agreement is subject to Early Termination Conditions that, if not satisfied (or waived, if applicable), will result in the automatic termination of the Purchase Agreement. Yes No
 - (ii) If yes, the Early Termination Conditions are as follows. The obligation of each of the Purchaser and Vendor to complete this purchase and sale transaction is subject to satisfaction (or waiver, if applicable) of the following conditions:
 - Condition #1 (if applicable)
Description of the Early Termination Condition: see appendix
 - The Approving Authority (as that term is defined in Schedule A) is: see appendix
 - The date by which Condition #1 is to be satisfied is the _____ day of _____, 20_____.
 - Condition #2 (if applicable)
Description of the Early Termination Condition: not applicable
 - The Approving Authority (as that term is defined in Schedule A) is: not applicable
 - The date by which Condition #2 is to be satisfied is the _____ day of _____, 20_____.
- The date for satisfaction of any Early Termination Condition cannot be later than 90 days before the First Tentative Occupancy Date, and will be deemed to be 90 days before the First Tentative Occupancy Date if no date is specified or if the date specified is later than 90 days before the First Tentative Occupancy Date. This time limitation does not apply to the condition in subparagraph 1(b)(iv) of Schedule A which must be satisfied or waived by the Vendor within 60 days following signing of the Purchase Agreement.
- Note: The parties must add additional pages as an appendix to this Addendum if there are additional Early Termination Conditions.*
- (d) There are no Early Termination Conditions applicable to this Purchase Agreement other than those identified in subparagraph 2(c)(ii) and any appendix listing additional Early Termination Conditions.
 - (e) The Vendor agrees to take all commercially reasonable steps within its power to satisfy the Early Termination Conditions listed in subparagraph 2(c)(ii).
 - (f) For conditions under paragraph 1(a) of Schedule A the following applies:
 - (i) conditions in paragraph 1(a) of Schedule A may not be waived by either party;

2. Early Termination Conditions (continued)

- (ii) the Vendor shall provide written notice not later than five (5) Business Days after the date specified for satisfaction of a condition that: (A) the condition has been satisfied; or (B) the condition has not been satisfied (together with reasonable details and backup materials) and that as a result the Purchase Agreement is terminated; and
- (iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed not satisfied and the Purchase Agreement is terminated.
- (g) For conditions under paragraph 1(b) of Schedule A the following applies:
 - (i) conditions in paragraph 1(b) of Schedule A may be waived by the Vendor;
 - (ii) the Vendor shall provide written notice on or before the date specified for satisfaction of the condition that: (A) the condition has been satisfied or waived; or (B) the condition has not been satisfied nor waived, and that as a result the Purchase Agreement is terminated; and
 - (iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed satisfied or waived and the Purchase Agreement will continue to be binding on both parties.
- (h) The Purchase Agreement may be conditional until closing (transfer to the Purchaser of the title to the condominium home) upon compliance with the subdivision control provisions (section 50) of the *Planning Act* (Ontario) by virtue of registration of the Building under the *Condominium Act* (Ontario), which compliance shall be obtained by the Vendor at its sole expense, on or before closing.
- (i) The Purchaser is cautioned that there may be other conditions in the Purchase Agreement that allow the Vendor to terminate the Purchase Agreement due to the fault of the Purchaser.
- (j) The Purchase Agreement may include any condition that is for the sole benefit of the Purchaser and that is agreed to by the Vendor (i.e., the sale of an existing dwelling, Purchaser financing or a basement walkout). The Purchase Agreement may specify that the Purchaser has a right to terminate the Purchase Agreement if any such condition is not met, and may set out the terms on which termination by the Purchaser may be effected.

3. Setting Tentative Occupancy Dates and the Firm Occupancy Date

- (a) **Completing Construction Without Delay:** The Vendor shall take all reasonable steps to complete construction of the Building subject to all prescribed requirements, to provide Occupancy of the condominium home without delay, and to register without delay the declaration and description in respect of the Building.
- (b) **First Tentative Occupancy Date:** The Vendor shall identify the First Tentative Occupancy Date in the Statement of Critical Dates attached to this Addendum at the time the Purchase Agreement is signed.
- (c) **Subsequent Tentative Occupancy Dates:** The Vendor may, in accordance with this section, extend the First Tentative Occupancy Date on one or more occasions, by setting a subsequent Tentative Occupancy Date. The Vendor shall give written notice of any subsequent Tentative Occupancy Date to the Purchaser no later than 90 days before the existing Tentative Occupancy Date (which in this Addendum may include the First Tentative Occupancy Date), or else the existing Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. A subsequent Tentative Occupancy Date can be any Business Day on or before the Outside Occupancy Date.
- (d) **Final Tentative Occupancy Date:** By no later than 30 days after completion of the roof slab or of the roof trusses and sheathing of the Building, as the case may be, the Vendor shall by written notice to the Purchaser set either (i) a Final Tentative Occupancy Date; or (ii) a Firm Occupancy Date. If the Vendor does not do so, the existing Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. The Vendor shall give written notice of the Final Tentative Occupancy Date or Firm Occupancy Date, as the case may be, to the Purchaser no later than 90 days before the existing Tentative Occupancy Date, or else the existing Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. The Final Tentative Occupancy Date or Firm Occupancy Date, as the case may be, can be any Business Day on or before the Outside Occupancy Date.
- (e) **Firm Occupancy Date:** If the Vendor has set a Final Tentative Occupancy Date but cannot provide Occupancy by the Final Tentative Occupancy Date then the Vendor shall set a Firm Occupancy Date that is no later than 120 days after the Final Tentative Occupancy Date. The Vendor shall give written notice of the Firm Occupancy Date to the Purchaser no later than 90 days before the Final Tentative Occupancy Date, or else the Final Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. The Firm Occupancy Date can be any Business Day on or before the Outside Occupancy Date.
- (f) **Notice:** Any notice given by the Vendor under paragraph (c), (d) or (e) must set out the revised Critical Date, as applicable, and state that the setting of such date may change other future Critical Dates, as applicable, in accordance with the terms of the Addendum.

4. Changing the Firm Occupancy Date – Three Ways

- (a) The Firm Occupancy Date, once set or deemed to be set in accordance with section 3, can be changed only:
 - (i) by the mutual written agreement of the Vendor and Purchaser in accordance with section 5;
 - (ii) by the Vendor setting a Delayed Occupancy Date in accordance with section 6; or
 - (iii) as the result of an Unavoidable Delay of which proper written notice is given in accordance with section 7.
- (b) If a new Firm Occupancy Date is set in accordance with section 5 or 7, then the new date is the "Firm Occupancy Date" for all purposes in this Addendum.

5. Changing Critical Dates – By Mutual Agreement

- (a) This Addendum sets out a structure for setting, extending and/or accelerating Occupancy dates, which cannot be altered contractually except as set out in this section 5 and in paragraph 7(c). For greater certainty, this Addendum does not restrict any extensions of the closing date (i.e., title transfer date) where Occupancy of the condominium home has already been given to the Purchaser.
- (b) The Vendor and Purchaser may at any time, after signing the Purchase Agreement, mutually agree in writing to accelerate or extend a Firm Occupancy Date or a Delayed Occupancy Date in each case to a new specified calendar date. The amendment must comply with the requirements of section 10.
- (c) The Vendor and Purchaser may at any time after signing the Purchase Agreement mutually agree in writing to accelerate the First Tentative Occupancy Date and correspondingly reset all the Critical Dates provided that:
 - (i) the mutual amendment is signed at least 180 days prior to the First Tentative Occupancy Date;
 - (ii) all the Critical Dates including the Outside Occupancy Date are moved forward by the same number of days (subject to adjustment so that Critical Dates fall on Business Days);
 - (iii) a new Statement of Critical Dates is signed by both parties at the time the amendment is signed and a copy is provided to the Purchaser; and
 - (iv) the Purchaser is given a three (3) Business Day period in which to review the amendment after signing and if not satisfied with the amendment may terminate the amendment (but not the balance of the Purchase Agreement), upon written notice to the Vendor within such 3-day period.Any such amendment must be by mutual agreement and, for greater certainty, neither party has any obligation to enter into such an amendment.
- (d) A Vendor is permitted to include a provision in the Purchase Agreement allowing the Vendor a one-time unilateral right to extend a Firm Occupancy Date or Delayed Occupancy Date, as the case may be, for one (1) Business Day to avoid the necessity of tender where a Purchaser is not ready to complete the transaction on the Firm Occupancy Date or Delayed Occupancy Date, as the case may be. Delayed occupancy compensation will not be payable for such period and the Vendor may not impose any penalty or interest charge upon the Purchaser with respect to such extension.
- (e) The Vendor and Purchaser may agree in the Purchase Agreement to any unilateral extension or acceleration rights that are for the benefit of the Purchaser.

6. Changing the Firm Occupancy Date – By Setting a Delayed Occupancy Date

- (a) If the Vendor cannot provide Occupancy on the Firm Occupancy Date and sections 5 and 7 do not apply, the Vendor shall select and give written notice to the Purchaser of a Delayed Occupancy Date in accordance with this section, and delayed occupancy compensation is payable in accordance with section 9.

6. Changing the Firm Occupancy Date – By Setting a Delayed Occupancy Date (continued)

- (b) The Delayed Occupancy Date may be any Business Day after the date the Purchaser receives written notice of the Delayed Occupancy Date but not later than the Outside Occupancy Date.
- (c) The Vendor shall give written notice to the Purchaser of the Delayed Occupancy Date as soon as the Vendor knows that it will be unable to provide Occupancy on the Firm Occupancy Date, and in any event no later than 10 days before the Firm Occupancy Date, failing which delayed occupancy compensation is payable from the date that is 10 days before the Firm Occupancy Date, in accordance with paragraph 9(c).
- (d) If a Delayed Occupancy Date is set and the Vendor cannot provide Occupancy on the Delayed Occupancy Date, the Vendor shall select and give written notice to the Purchaser of a new Delayed Occupancy Date, unless the delay arises due to Unavoidable Delay under section 7 or is mutually agreed upon under section 5, in which case the requirements of those sections must be met. Paragraphs 6(b) and 6(c) above apply with respect to the setting of the new Delayed Occupancy Date.
- (e) Nothing in this section affects the right of the Purchaser or Vendor to terminate the Purchase Agreement on the bases set out in section 11.

7. Extending Dates – Due to Unavoidable Delay

- (a) If Unavoidable Delay occurs, the Vendor may extend Critical Dates by no more than the length of the Unavoidable Delay Period, without the approval of the Purchaser and without the requirement to pay delayed occupancy compensation in connection with the Unavoidable Delay, provided the requirements of this section are met.
- (b) If the Vendor wishes to extend Critical Dates on account of Unavoidable Delay, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, and an estimate of the duration of the delay. Once the Vendor knows or ought reasonably to know that an Unavoidable Delay has commenced, the Vendor shall provide written notice to the Purchaser by the earlier of: 10 days thereafter; and the next Critical Date.
- (c) As soon as reasonably possible, and no later than 10 days after the Vendor knows or ought reasonably to know that an Unavoidable Delay has concluded, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, identifying the date of its conclusion, and setting new Critical Dates. The new Critical Dates are calculated by adding to the then next Critical Date the number of days of the Unavoidable Delay Period (the other Critical Dates changing accordingly), provided that the Firm Occupancy Date or Delayed Occupancy Date, as the case may be, must be at least 10 days after the day of giving notice unless the parties agree otherwise. Either the Vendor or the Purchaser may request in writing an earlier Firm Occupancy Date or Delayed Occupancy Date, and the other party's consent to the earlier date shall not be unreasonably withheld.
- (d) If the Vendor fails to give written notice of the conclusion of the Unavoidable Delay in the manner required by paragraph 7(c), the notice is ineffective, the existing Critical Dates are unchanged, and any delayed occupancy compensation payable under section 9 is payable from the existing Firm Occupancy Date.
- (e) Any notice setting new Critical Dates given by the Vendor under this section must set out the revised next Critical Date and state that the setting of such date may change other future Critical Dates, as applicable, in accordance with the terms of the Addendum.

8. Building Code – Conditions of Occupancy

- (a) On or before the date of Occupancy, the Vendor shall deliver to the Purchaser:
 - (i) where a registered code agency has been appointed for the building or part of the building under the *Building Code Act* (Ontario), a final certificate with respect to the condominium home that contains the prescribed information as required by s. 11(3) of the *Building Code Act*; or
 - (ii) where a registered code agency has not been so appointed, either:
 - (A) an Occupancy Permit (as defined in paragraph (d)) for the condominium home; or
 - (B) a signed written confirmation by the Vendor that: (I) provisional or temporary occupancy of the condominium home has been authorized under Article 1.3.3.1 of Division C of the *Building Code*; or (II) the conditions for residential occupancy of the condominium home as set out in s. 11 of the *Building Code Act* or Article 1.3.3.2 of Division C of the *Building Code*, as the case may be (the "Conditions of Occupancy") have been fulfilled.
- (b) Notwithstanding the requirements of paragraph (a), to the extent that the Purchaser and the Vendor agree that the Purchaser shall be responsible for certain Conditions of Occupancy (the "Purchaser Obligations"):
 - (i) the Purchaser may not refuse to take Occupancy on the basis that the Purchaser Obligations have not been completed;
 - (ii) the Vendor shall deliver to the Purchaser, upon fulfilling the Conditions of Occupancy (other than the Purchaser Obligations), a signed written confirmation that the Vendor has fulfilled such Conditions of Occupancy; and
 - (iii) if the Purchaser and Vendor have agreed that the Conditions of Occupancy (other than the Purchaser Obligations) are to be fulfilled prior to Occupancy, then the Vendor shall provide the signed written confirmation required by subparagraph (ii) on or before the date of Occupancy.
- (c) If the Vendor cannot satisfy the requirements of paragraph (a) or subparagraph (b)(iii), then the Vendor shall set a Delayed Occupancy Date (or new Delayed Occupancy Date) on a date that the Vendor reasonably expects to have satisfied the requirements of paragraph (a) or subparagraph (b)(iii), as the case may be. In setting the Delayed Occupancy Date (or new Delayed Occupancy Date), the Vendor shall comply with the requirements of section 6, and delayed occupancy compensation shall be payable in accordance with section 9. Despite the foregoing, delayed occupancy compensation shall not be payable for a delay under this paragraph (c) if the inability to satisfy the requirements of subparagraph (b)(iii) is because the Purchaser has failed to satisfy the Purchaser Obligations.
- (d) For the purposes of this section, an "Occupancy Permit" means any written document, however styled, whether final, provisional or temporary, provided by the chief building official (as defined in the *Building Code Act*) or a person designated by the chief building official, that evidences the fact that authority to occupy the condominium home has been granted.

9. Delayed Occupancy Compensation

- (a) The Vendor warrants to the Purchaser that, if Occupancy is delayed beyond the Firm Occupancy Date (other than by mutual agreement or as a result of Unavoidable Delay as permitted under sections 5 or 7), then the Vendor shall compensate the Purchaser for all costs incurred by the Purchaser as a result of the delay up to a total amount of \$7,500, which amount includes payment to the Purchaser of \$150 a day for living expenses for each day of delay until the date of Occupancy or the date of termination of the Purchase Agreement, as applicable under paragraph (b).
- (b) Delayed occupancy compensation is payable only if: (i) Occupancy occurs; or (ii) the Purchase Agreement is terminated or deemed to have been terminated under paragraphs 11(b), (c) or (e) of this Addendum. Delayed occupancy compensation is payable only if the Purchaser's claim is made to Tarion in writing within one (1) year after Occupancy, or after termination of the Purchase Agreement, as the case may be, and otherwise in accordance with this Addendum. Compensation claims are subject to any further conditions set out in the *Act*.
- (c) If the Vendor gives written notice of a Delayed Occupancy Date to the Purchaser less than 10 days before the Firm Occupancy Date, contrary to the requirements of paragraph 6(c), then delayed occupancy compensation is payable from the date that is 10 days before the Firm Occupancy Date.
- (d) Living expenses are direct living costs such as for accommodation and meals. Receipts are not required in support of a claim for living expenses, as a set daily amount of \$150 per day is payable. The Purchaser must provide receipts in support of any claim for other delayed occupancy compensation, such as for moving and storage costs. Submission of false receipts disentitles the Purchaser to any delayed occupancy compensation in connection with a claim.
- (e) If delayed occupancy compensation is payable, the Purchaser may make a claim to the Vendor for that compensation within 180 days after Occupancy and shall include all receipts (apart from living expenses) which evidence any part of the Purchaser's claim. The Vendor shall assess the Purchaser's claim by determining the amount of delayed occupancy compensation payable based on the rules set out in section 9 and the receipts provided by the Purchaser, and the Vendor shall promptly provide that assessment information to the Purchaser. The Purchaser and the Vendor shall use reasonable efforts to settle the claim and when the claim is settled, the Vendor shall prepare an acknowledgement signed by both parties which:
 - (i) includes the Vendor's assessment of the delayed occupancy compensation payable;

9. Delayed Occupancy Compensation (continued)

- (ii) describes in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation (the "Compensation"), if any; and
- (iii) contains a statement by the Purchaser that the Purchaser accepts the Compensation in full satisfaction of any delayed occupancy compensation payable by the Vendor.

A true copy of the acknowledgement (showing clearly the municipal address and enrolment number of the condominium home on the first page) shall be provided to Tarion by the Vendor within 30 days after execution of the acknowledgment by the parties.

- (f) If the Vendor and Purchaser cannot agree as contemplated in paragraph 9(e), then to make a claim to Tarion the Purchaser must file a claim with Tarion in writing within one (1) year after Occupancy. A claim may also be made and the same rules apply if the sales transaction is terminated under paragraphs 11(b), (c) or (e) in which case, the deadline is 180 days after termination for a claim to the Vendor and one (1) year after termination for a claim to Tarion.

10. Changes to Critical Dates

- (a) Whenever the parties by mutual agreement extend or accelerate either the Firm Occupancy Date or the Delayed Occupancy Date this section applies.
- (b) If the change involves acceleration of either the Firm Occupancy Date or the Delayed Occupancy Date, then the amending agreement must set out each of the Critical Dates (as changed or confirmed).
- (c) If the change involves extending either the Firm Occupancy Date or the Delayed Occupancy Date, then the amending agreement shall:
 - (i) disclose to the Purchaser that the signing of the amendment may result in the loss of delayed occupancy compensation as described in section 9 above;
 - (ii) unless there is an express waiver of compensation, describe in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation (the "Compensation"); and
 - (iii) contain a statement by the Purchaser that the Purchaser waives compensation or accepts the above noted Compensation, in either case, in full satisfaction of any delayed occupancy compensation payable by the Vendor for the period up to the new Firm Occupancy Date or Delayed Occupancy Date.
- (d) If the Purchaser for his or her own purposes requests a change of date or dates, then paragraph 10(c) shall not apply.

11. Termination of the Purchase Agreement

- (a) The Vendor and the Purchaser may terminate the Purchase Agreement by mutual written consent, such written consent to be given at the time of the termination.
- (b) If for any reason (other than breach of contract by the Purchaser) Occupancy has not been given to the Purchaser by the Outside Occupancy Date, then the Purchaser has 30 days to terminate the Purchase Agreement by written notice to the Vendor. If the Purchaser does not provide written notice of termination within such 30-day period, then the Purchase Agreement shall continue to be binding on both parties and the Delayed Occupancy Date shall be the date set by the Vendor under paragraph 6(b), regardless of whether such date is beyond the Outside Occupancy Date.
- (c) If calendar dates for the applicable Critical Dates are not inserted in the Statement of Critical Dates; or if any date for Occupancy is expressed in the Purchase Agreement or in any other document to be subject to change depending upon the happening of an event (other than as permitted in this Addendum), then the Purchaser may terminate the Purchase Agreement by written notice to the Vendor.
- (d) The Purchase Agreement may be terminated in accordance with the requirements of section 2.
- (e) Nothing in this Addendum derogates from any right of termination that either the Purchaser or the Vendor may have at law or in equity on the basis of, for example, frustration of contract or fundamental breach of contract.
- (f) Except as permitted in this section, the Purchase Agreement may not be terminated by reason of delay in Occupancy alone.

12. Return of Monies Paid on Termination

- (a) If the Purchase Agreement is terminated (other than as a result of breach of contract by the Purchaser), the Vendor shall return all monies paid by the Purchaser including deposit(s) and monies for upgrades and extras, within 10 days of such termination, with interest from the date each amount was paid to the Vendor to the date of return to the Purchaser. The Purchaser cannot be compelled by the Vendor to execute a release of the Vendor and/or a termination agreement as a prerequisite to obtaining the return of monies payable as a result of termination of the Purchase Agreement under this paragraph.
- (b) The rate of interest payable on the Purchaser's monies shall be calculated in accordance with the *Condominium Act*.
- (c) Notwithstanding paragraphs 12(a) and 12(b), if either party initiates legal proceedings to contest termination of the Purchase Agreement or the return of monies paid by the Purchaser, and obtains a legal determination, such amounts and interest shall be payable as determined in those proceedings.

13. Addendum Prevails

The Addendum forms part of the Purchase Agreement. The Vendor and Purchaser agree that they shall not include any provision in the Purchase Agreement or any amendment to the Purchase Agreement or any other document (or indirectly do so through replacement of the Purchase Agreement) that derogates from, conflicts with or is inconsistent with the provisions of this Addendum, except where this Addendum expressly permits the parties to agree or consent to an alternative arrangement. The provisions of this Addendum prevail over any such provision.

14. Time Periods, and How Notice Must Be Sent

- (a) Any written notice required under this Addendum may be given personally or sent by email, fax, courier or registered mail to the Purchaser or the Vendor at the address/contact numbers identified on page 2 or replacement address/contact numbers as provided in paragraph (c) below. Notices may also be sent to the solicitor for each party if necessary contact information is provided, but notices in all events must be sent to the Purchaser and Vendor, as applicable.
- (b) Written notice given by one of the means identified in paragraph (a) is deemed to be given and received: on the date of delivery or transmission, if given personally or sent by email or fax (or the next Business Day if the date of delivery or transmission is not a Business Day); on the second Business Day following the date of sending by courier; or on the fifth Business Day following the date of sending, if sent by registered mail. If a postal stoppage or interruption occurs, notices shall not be sent by registered mail, and any notice sent by registered mail within 5 Business Days prior to the commencement of the postal stoppage or interruption must be re-sent by another means in order to be effective. For purposes of this paragraph 14(b), Business Day includes Remembrance Day, if it falls on a day other than Saturday or Sunday, and Easter Monday.
- (c) If either party wishes to receive written notice under this Addendum at an address/contact number other than those identified on page 2, the party shall send written notice of the change of address/contact number to the other party.
- (d) Time periods within which or following which any act is to be done shall be calculated by excluding the day of delivery or transmission and including the day on which the period ends.
- (e) Time periods shall be calculated using calendar days including Business Days but subject to paragraphs (f), (g) and (h) below.
- (f) Where the time for making a claim under this Addendum expires on a day that is not a Business Day, the claim may be made on the next Business Day.
- (g) Prior notice periods that begin on a day that is not a Business Day shall begin on the next earlier Business Day, except that notices may be sent and/or received on Remembrance Day, if it falls on a day other than Saturday or Sunday, or Easter Monday.
- (h) Every Critical Date must occur on a Business Day. If the Vendor sets a Critical Date that occurs on a date other than a Business Day, the Critical Date is deemed to be the next Business Day.

SCHEDULE A
Types of Permitted Early Termination Conditions
(Section 2)

1. The Vendor of a condominium home is permitted to make the Purchase Agreement conditional as follows:

(a) upon receipt of Approval from an Approving Authority for:

- (i) a change to the official plan, other governmental development plan or zoning by-law (including a minor variance);
 - (ii) a consent to creation of a lot(s) or part-lot(s);
 - (iii) a certificate of water potability or other measure relating to domestic water supply to the home;
 - (iv) a certificate of approval of septic system or other measure relating to waste disposal from the home;
 - (v) completion of hard services for the property or surrounding area (i.e., roads, rail crossings, water lines, sewage lines, other utilities);
 - (vi) allocation of domestic water or storm or sanitary sewage capacity;
 - (vii) easements or similar rights serving the property or surrounding area;
 - (viii) site plan agreements, density agreements, shared facilities agreements or other development agreements with Approving Authorities or nearby landowners, and/or any development Approvals required from an Approving Authority; and/or
 - (ix) site plans, plans, elevations and/or specifications under architectural controls imposed by an Approving Authority.
- The above-noted conditions are for the benefit of both the Vendor and the Purchaser and cannot be waived by either party.

(b) upon:

- (i) receipt by the Vendor of confirmation that sales of condominium dwelling units have exceeded a specified threshold by a specified date;
 - (ii) receipt by the Vendor of confirmation that financing for the project on terms satisfactory to the Vendor has been arranged by a specified date;
 - (iii) receipt of Approval from an Approving Authority for a basement walkout; and/or
 - (iv) confirmation by the Vendor that it is satisfied the Purchaser has the financial resources to complete the transaction.
- The above-noted conditions are for the benefit of the Vendor and may be waived by the Vendor in its sole discretion.

2. The following definitions apply in this Schedule:

“Approval” means an approval, consent or permission (in final form not subject to appeal) from an Approving Authority and may include completion of necessary agreements (i.e., site plan agreement) to allow lawful access to and use and occupancy of the property for its intended residential purpose.

“Approving Authority” means a government (federal, provincial or municipal), governmental agency, Crown corporation, or quasi-governmental authority (a privately operated organization exercising authority delegated by legislation or a government).

3. Each condition must:

- (a) be set out separately;
- (b) be reasonably specific as to the type of Approval which is needed for the transaction; and
- (c) identify the Approving Authority by reference to the level of government and/or the identity of the governmental agency, Crown corporation or quasi-governmental authority.

4. For greater certainty, the Vendor is not permitted to make the Purchase Agreement conditional upon:

- (a) receipt of a building permit;
- (b) receipt of an occupancy permit; and/or
- (c) completion of the home.

**APPENDIX TO ADDENDUM
TO AGREEMENT OF PURCHASE AND SALE
EARLY TERMINATION CONDITIONS**

The Early Termination Conditions referred to in paragraph 2 (c) (ii) of the Taron Addendum are as follows:

CONDITIONS PERMITTED IN PARAGRAPH 1 (b) OF SCHEDULE "A" TO THE TARIAN ADDENDUM

1. **Description of Early Termination Condition:**

This Agreement is conditional upon the Vendor being satisfied, in its sole and absolute discretion, with the credit worthiness of the Purchaser. The Vendor shall have sixty (60) days from the date of acceptance of this Agreement by the Vendor to satisfy itself with respect to such credit worthiness. The Purchaser covenants and agrees to provide all requisite information and materials including proof respecting income and source of funds or evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor, confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Title Transfer Date, as the Vendor may require to determine the Purchaser's credit worthiness.

The date by which this Condition is to be satisfied is the _____ day of _____, 20__.

SCHEDULE "X" AGREEMENT

104

AMONG:

BRODY WALL SYSTEM LTD.
(hereinafter referred to as the "Buyer")

-and-

JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION
(hereinafter referred to as the "Seller")

-and-

MADY COLLIER CENTRE LTD., 144 PARK LTD., JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION, MADY CONTRACT DIVISION LTD., MADY BURLINGTON LTD.
(hereinafter collectively referred to as the "Debtor")

WHEREAS the Buyer has made an offer to purchase from the Seller, at a purchase price of Two Hundred and Thirty Thousand Dollars (\$230,000.00) (the "Purchase Price"), the property described as Unit 22, Level 7, Suite 827 (the "Property"), being a proposed unit in the condominium to be registered on those lands and premises situate in the Town of Markham on parcel of land at the northeast corner of Kennedy Road and a road to be constructed and known as South Unionville Avenue, pursuant to an offer to purchase executed by the Seller on December 5, 2014 (the "Offer to Purchase");

AND WHEREAS the Debtor is indebted to the Buyer in an amount in excess of TWO HUNDRED THIRTY THOUSAND DOLLARS (\$230,000.00), as more particularly evidenced by the Statement of Accounts attached hereto (the "Debt");

AND WHEREAS the Seller is desirous of paying the Debt;

AND WHEREAS the parties have agreed to permit the Seller to satisfy a portion of the Debt by setting off the amount TWO HUNDRED THIRTY THOUSAND DOLLARS (\$230,000.00) of the Debt against the purchase price of the Property payable on the completion of the transaction of purchase and sale evidenced by the Offer to Purchase (the "Transaction");

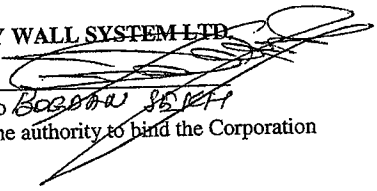
NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of TWO DOLLARS (\$2.00) and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the said parties hereby agree as follows:

1. The foregoing recitals are true both in substance and in fact.
2. The amount of the Debt shall, on the date of completion of the Transaction, be deducted in the amount of TWO HUNDRED THIRTY THOUSAND DOLLARS (\$230,000.00) from and set off against the Purchase Price, and, provided that the Transaction is completed, such deduction and set off shall constitute partial payment of the said Debt by the Seller.
3. The Parties hereby acknowledges that payment of the Debt to the Buyer as aforesaid shall constitute partial payment of the Debt by the Seller, and the Buyer shall have no further claim to payment of the this portion of the Debt from the Seller.
4. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be one and the same instrument.
5. Time shall be of the essence of the Agreement and of every part hereof and no extension or variation of this agreement shall operate as a waiver of this provision.
6. This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regards as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect expect by written instrument signed by the parties hereto.
7. This Agreement shall in ensure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

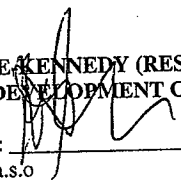
DATED this 5th day of DECEMBER, 2014.

B-S

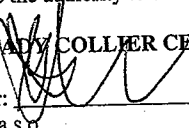
BRODY WALL SYSTEM LTD.

Per: 
a.s.o. BRODY WALL SYSTEM
I have the authority to bind the Corporation


**JADE KENNEDY (RESIDENTIAL)
DEVELOPMENT CORPORATION**

Per: 
a.s.o.
I have the authority to bind this Corporation

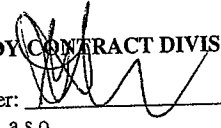
MADY COLLIER CENTRE LTD.

Per: 
a.s.o.
I have the authority to bind this Corporation

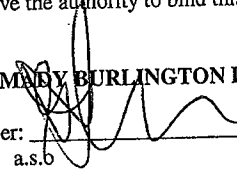
MADY PARK LTD.

Per: 
a.s.o.
I have the authority to bind this Corporation

MADY CONTRACT DIVISION LTD.

Per: 
a.s.o.
I have the authority to bind this Corporation

MADY BURLINGTON LTD.

Per: 
a.s.o.
I have the authority to bind this Corporation

Summary of Outstanding Accounts and Resolution

Mady Contract Division Ltd / Brody Wall System Ltd.

Project(s):

1. Collier Centre – 144 Collier Street, Barrie, Ontario.

Brody Wall System Ltd.

<u>Invoice No.</u>	<u>Inv. Date</u>	<u>Inv. Value (Inc. HST)</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
155	14/05/25	\$ 56,500.00	\$ 50,850.00	\$ 5,650.00
160	14/06/23	\$ 70,060.00	\$ NIL	\$ 70,060.00
164	14/07/22	\$ 98,310.00	\$ NIL	\$ 98,310.00
169	14/08/25	\$ 70,060.00	\$ NIL	\$ 70,060.00
172	14/09/24	\$ 96,050.00	\$ NIL	\$ 96,050.00
174	14/10/24	\$ 83,620.00	\$ NIL	\$ 83,620.00
177	14/11/20	\$ 147,702.00	\$ NIL	\$ 147,702.00
Project Outstanding as of November 24 th , 2014.				\$ 571,452.00

2. 144 Park – 144 Park Street, Waterloo, Ontario.

Brody Wall System Ltd.

<u>Invoice No.</u>	<u>Inv. Date</u>	<u>Inv. Value (Inc. HST)</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
141	13/07/25	\$ 80,795.00	\$ NIL	\$ 80,795.00
145	13/08/27	\$ 88,140.00	\$ 79,326.00	\$ 8,814.00
147	13/09/27	\$ 79,665.00	\$ 71,698.50	\$ 7,966.50
152	14/02/28	\$ 22,600.00	\$ 20,340.00	\$ 2,260.00
176	14/11/20	\$ 13,492.00	\$ NIL	\$ 13,492.00
Project Outstanding as of November 24 th , 2014.				\$ 113,327.50

3. South Unionville Square Phase 2 - 8323 Kennedy Road, Markham, Ontario

Brody Wall System Ltd.

<u>Invoice No.</u>	<u>Inv. Date</u>	<u>Inv. Value (Inc. HST)</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
140	13/07/10	\$ 54,805.00	\$ 49,324.50	\$ 5,480.50
144	13/08/27	\$ 163,850.00	\$ 147,465.00	\$ 16,385.00
146	13/09/27	\$ 165,545.00	\$ 148,990.50	\$ 16,554.50
151	14/02/28	\$ 33,900.00	\$ 30,510.00	\$ 3,390.00
161	14/06/28	\$ 20,566.00	\$ NIL	\$ 20,566.00
162	14/06/28	\$ 16,667.00	\$ NIL	\$ 16,667.00
163	14/06/28	\$ 2,486.00	\$ NIL	\$ 2,486.00

Project Outstanding as of November 24th, 2014. \$ 81,529.00

4. Walmart Store #3049 - Main Entrance Canopy Only - 330 Clark Road, London, Ontario.

Brody Wall System Ltd.

<u>Invoice No.</u>	<u>Inv. Date</u>	<u>Inv. Value (Inc. HST)</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
150	14/02/28	\$ 5,650.00	\$ 5,085.00	\$ 565.00
154	14/05/25	\$ 5,650.00	\$ 5,085.00	\$ 565.00

Project Outstanding as of November 24th, 2014. \$ 1,130.00

5. Private Christian School - 25 & 33 Mallard Road, Toronto, Ontario.

Brody Wall System Ltd.

<u>Invoice No.</u>	<u>Inv. Date</u>	<u>Inv. Value (Inc. HST)</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
139	13/07/10	\$ 5,085.00	\$ 4,576.50	\$ 508.50

Project Outstanding as of November 24th, 2014. \$ 508.50

6. Bridgewater Sales Office - Elizabeth St / Lakeshore Rd, Burlington, Ontario.

Brody Wall System Ltd.

<u>Invoice No.</u>	<u>Inv. Date</u>	<u>Inv. Value (inc. HST)</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
167	14/07/23	\$ 27,685.00	\$ 24,916.50	\$ 2,768.50

Project Outstanding as of November 24th, 2014. \$ 2,768.50

Total Project(s) Outstanding as of November 24, 2014. \$ 770,715.50

THIS IS SCHEDULE "Z" (ADDITIONAL PROVISIONS) REFERRED TO IN AND FORMING PART OF THE AGREEMENT OF PURCHASE AND SALE MADE BETWEEN JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION AS VENDOR, AND , BRODY WALL SYSTEM LTD. AS PURCHASER

1. Vendor and Purchaser agree that notwithstanding anything contained to the contrary in any other pages of this Agreement including any other schedules thereto, the terms and covenants of this Schedule "Z" shall govern and supercede and if there is any conflict, inconsistency or uncertainty with respect to any term or covenant contained in any other pages this Agreement including any other schedules thereto, the terms and covenants of this Schedule "Z" shall govern and supercede.
2. The transfer of title to the Unit shall be completed on the Title Transfer Date which is January 15, 2015. There shall be no Interim Occupancy and therefore no First Tentative Occupancy Date or Tentative Occupancy Date or Final Tentative Occupancy Date or Firm Occupancy Date or Delayed Occupancy Date or Outside Occupancy Date or Occupancy Date or Occupancy Fee or Occupancy Licence or the like.
3. The Statement of Critical Dates contained in the Tarion Condominium Form shall not apply in this transaction. For greater certainty the Vendor shall not have the right to extend the Title Transfer Date, unless any such extension is mutually agreed to in writing by Vendor and Purchaser subsequent to execution of this Agreement.
4. The Purchase Price shall be adjusted to reflect only the following items contained in the following subparagraphs on pages 2 and 3 of this Agreement, namely:
6(b)(iii),(iv) and 6(d)(i),(v),(vi),(vii), (viii) and (x), and no other items.
5. Vendor acknowledges that the Purchaser does not qualify for the Rebate referred to subparagraph 6(h) on pages 3 and 4 of this Agreement, and notwithstanding this fact Purchaser shall not be obliged to pay to the Vendor or to any other individual or entity any amount equivalent to the Rebate or in any other amount related or pertaining to the Rebate, and the Vendor hereby quits and waives any and all rights to the Rebate or assignment of same in favour of the Vendor with no recourse against the Purchaser.
6. Vendor represents and warrants that that it has not:
 - (i) become bankrupt or insolvent or made an assignment for the benefit of creditors;
 - (ii) had a receiver appointed; or
 - (iii) taken action with a view to winding up, dissolution or liquidation,
 and is not aware of any circumstances that would reasonably cause any of the foregoing representations and warranties not to be correct and valid on the Unit Transfer Date.
7. Vendor confirms and agrees that Harris Sheaffer LLP will be acting as its solicitors in this transaction.

B. S. O. J.

THE RESIDENCES AT SOUTH UNIONVILLE SQUARE
AMENDMENT TO THE
AGREEMENT OF PURCHASE AND SALE

BETWEEN: JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION (the "Vendor") and
BRODY WALL SYSTEM LTD. (the "Purchaser")

Unit 22, Level 7, (the "Unit") Suite 827

It is hereby understood and agreed between the Vendor and the Purchaser that the following change(s) shall be made to the above-mentioned Agreement of Purchase and Sale, and except for such change(s) noted below, all other terms and conditions of the Agreement shall remain as stated therein, and time shall continue to be of the essence.

INSERT:

[Handwritten signature] B.S.

The parties acknowledge and agree that Interim Occupancy shall take place on or immediately thereafter as deemed by the Vendor, on ~~December 10th, 2014~~ as indicated on the Taron Statement of Critical Dates.

January 15, 2015

January 15, 2015

The parties acknowledge and agree that the Title Transfer Date shall be on or by ~~December 28th, 2014~~.
Notwithstanding the foregoing this Agreement shall be null and void.

B.S. [Handwritten signature]

DATED at MARLBOROUGH, ON, this 5th day of December, 2014.

IN WITNESS whereof the parties hereto have affixed their hands and seals.

SIGNED, SEALED AND DELIVERED)
in the presence of)

[Handwritten signature]
Purchaser: **BRODY WALL SYSTEM LTD.**

JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION
Per *[Handwritten signature]* c/s
Authorized Signing Officer
I have the authority to bind the Corporation.

THE RESIDENCES AT SOUTH UNIONVILLE SQUARE
AMENDMENT TO THE
AGREEMENT OF PURCHASE AND SALE

BETWEEN: JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION (the "Vendor") and

BRODY WALL SYSTEM LTD. (the "Purchaser")

Unit 22, Level 7, (the "Unit") Suite 827

It is hereby understood and agreed between the Vendor and the Purchaser that the following change(s) shall be made to the above-mentioned Agreement of Purchase and Sale, and except for such change(s) noted below, all other terms and conditions of the Agreement shall remain as stated therein, and time shall continue to be of the essence.

DELETE:

The parties acknowledge and agree that the Title Transfer Date shall be on or by January 15th, 2015. Notwithstanding the foregoing this Agreement shall be null and void.

INSERT:

The parties acknowledge and agree that the Title Transfer Date shall be on or by February 17th, 2015. *Notwithstanding the foregoing this Agreement shall be null and void, in the event that the transaction fails to close on such date for any reason whatsoever, this Agreement shall be null and void, and the Purchaser shall be permitted a period of seven (7) days to vacate the property.*

DATED at Toronto this 15th day of January, 2015

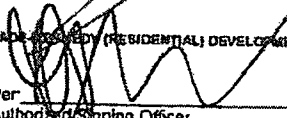
IN WITNESS whereof the parties hereto have affixed their hands and seals

SIGNED, SEALED AND DELIVERED)
in the presence of)


Purchaser - BRODY WALL SYSTEM LTD.





JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION
Per  c/s
Authorized Signing Officer
I have the authority to bind the Corporation

APPENDIX "F"

AGREEMENT OF PURCHASE AND SALE

The undersigned, **DIRCAM PROPERTIES LIMITED** (collectively, the "Purchaser"), hereby agrees with **JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION** (the "Vendor") to purchase the above-noted unit, as outlined for identification purposes only on the sketch attached hereto as Schedule "A", together with One (1) Parking Unit and One (1) Locker Unit which shall be allocated by the Vendor in its sole discretion, being proposed unit(s) in the Condominium, to be registered against those lands and premises situate in the Town of Markham on a parcel of land at the northeast corner of Kennedy Road and a road to be constructed and known as South Unionville Avenue (hereinafter called the "Property"), together with an undivided interest in the common elements appurtenant to such unit(s) and the exclusive use of those parts of the common elements attaching to such unit(s), as set out in the proposed Declaration (collectively, the "Unit") on the following terms and conditions:

The purchase price of the Unit (the "Purchase Price") is SEVENTY FOUR 274,900.00 ~~Two Hundred Eighty Nine Thousand Nine Hundred~~ (\$ 274,900.00 ~~289,900.00~~) DOLLARS in lawful money of Canada, payable as follows:

- (a) to Harris, Sheaffer LLP, in Trust, (the "Vendor's Solicitors" or "Escrow Agent" or "Trustee") in the following amounts at the following times, by cheque or bank draft, as deposits pending completion or other termination of this Agreement and to be credited on account of the Purchase Price on the Occupancy Date:
 - (i) the sum of ONE (\$1.00) Dollars submitted with this Agreement;
 - (ii) the sum of zero (\$ 0.00) Dollars (which, together with the deposit in paragraph 1(a)(i) represents 5% of the Purchase Price) submitted with this Agreement and post-dated fifteen (15) days following the date of execution of this Agreement by the Purchaser;
 - (iii) the sum of zero (\$ 0.00) Dollars (being five (5%) percent of the Purchase Price) submitted with this Agreement and post-dated sixty (60) days following the date of execution of this Agreement by the Purchaser;
 - (iv) the sum of zero (\$ 0.00) Dollars (being five (5%) percent of the Purchase Price) submitted with this Agreement and post-dated one hundred and eighty (180) days following the date of execution of this Agreement by the Purchaser;
 - (v) the sum of zero (\$ 0.00) Dollars (being five (5%) percent of the Purchase Price) submitted with this Agreement and post-dated two hundred and forty (240) days following the date of execution of this Agreement by the Purchaser;
 - (b) the sum of ZERO (\$ 0.00) Dollars by certified cheque or bank draft to the Vendor's Solicitors on the Occupancy Date;
 - (c) the balance of the Purchase Price by certified cheque on the Title Transfer Date to the Vendor or as the Vendor may direct, subject to the adjustments hereinafter set forth.
 - (d) the Purchaser agrees to pay the sum as hereinbefore set out in paragraph 1 (a) as a deposit by cheque payable to the Escrow Agent with such last-mentioned party to hold such funds in trust as the escrow agent acting for and on behalf of TWC under the provisions of a Deposit Trust Agreement ("DTA") with respect to this proposed condominium on the express understanding and agreement that as soon as prescribed security for the said deposit money has been provided in accordance with Section 81 of the Act, the Escrow Agent shall be entitled to release and disburse said funds to the Vendor (or to whomsoever and in whatsoever manner the Vendor may direct).
1. (a) The Purchaser shall occupy the Unit on the First Tentative Occupancy Date [as defined in the Statement of Critical Dates being part of the Tarion Addendum as hereinafter defined], or such extended or accelerated date that the Unit is substantially completed by the Vendor for occupancy by the Purchaser in accordance with the terms of this Agreement including, without limitation, the Tarion Addendum (the "Occupancy Date");
- (b) The transfer of title to the Unit shall be completed on the later of the Occupancy Date or a date established by the Vendor in accordance with Paragraph 14 hereof (the "Title Transfer Date");
- (c) The Purchaser's address for delivery of any notices pursuant to this Agreement or the Act is the address set out in the Tarion Addendum;
- (d) Notwithstanding anything contained in this Agreement (or in any schedules annexed hereto) to the contrary, it is expressly understood and agreed that if the Purchaser has not executed and delivered to the Vendor or its sales representative an acknowledgement of receipt of both the Vendor's disclosure statement and a copy of this Agreement duly executed by both parties hereto, within fifteen (15) days from the date of the Purchaser's execution of this Agreement as set out below, then the Purchaser shall be deemed to be in default hereunder and the Vendor shall have the unilateral right to terminate the Agreement at any time thereafter upon delivering written notice confirming such termination to the Purchaser, whereupon the Purchaser's initial deposit cheque shall be forthwith returned to the Purchaser by or on behalf of the Vendor.

The following Schedules of this Agreement, if attached hereto, shall form a part of this Agreement. If there is a form of Acknowledgement attached hereto same shall form part of this Agreement and shall be executed by the Purchaser and delivered to the Vendor on the Closing Date. The Purchaser acknowledges that he has read all Sections and Schedules of this Agreement and the form of Acknowledgement, if any:

- Schedule "A" - Unit Plan/sketch
- Schedule "B" - Features & Finishes
- Schedule "C" - Occupancy Licence
- Schedule "D" - Warning Provisions
- Schedule "E" - Receipt Confirmation
- Schedule being the Tarion Warranty Corporation Statement of Critical Dates and Addendum to Agreement of Purchase and Sale (collectively the "Tarion Addendum") and such other Schedules annexed hereto and specified as Schedule "F".

DATED, signed, sealed and delivered this 29th day of APRIL, 2014.

SIGNED, SEALED AND DELIVERED
in the presence of _____ PURCHASER: DIRCAM PROPERTIES LIMITED D.O.B. _____

WITNESS: _____ PURCHASER: _____ D.O.B. _____

(as to all Purchaser's signatures, if more than one purchaser) _____ PURCHASER'S SOLICITOR: _____

Address: _____

Telephone: _____ Facsimile: _____

The undersigned accepts the above offer and agrees to complete this transaction in accordance with the terms hereof.

DATED, signed, sealed and delivered, this 28 day of APRIL, 2014.

Vendor's Solicitors:
HARRIS, SHEAFFER LLP
Suite 610 - 4100 Yonge Street
Toronto, Ontario, M2P 3B5
Attn: Mark L. Karoly
Telephone: (416) 250-5800 Fax: (416) 250-5300

JADE-KENNEDY (RESIDENTIAL) DEVELOPMENT CORPORATION
Per: _____
Authorized Signing Officer
I have the authority to bind the Corporation.

3. The meaning of words and phrases used in this Agreement and its Schedules shall have the meaning ascribed to them in the *Condominium Act, 1998*, S.O. 1998, C.19, the regulations thereunder and any amendments thereto (the "Act") and other terms used herein shall have ascribed to them the definitions in the Condominium Documents unless otherwise provided for as follows:

- (a) "Agreement" means this Agreement of Purchase and Sale including all Schedules attached hereto and made a part hereof;
- (b) "Condominium" means the condominium which will be registered against the Property pursuant to the provisions of the Act;
- (c) "Condominium Documents" means the Creating Documents, the by-laws and rules of the Condominium, the disclosure statement and budget statement together with all other documents and agreements which are entered into by the Vendor on behalf of the Condominium or by the Condominium directly prior to the turnover of the condominium, as may be amended from time to time;
- (d) "CRA" means the Canada Revenue Agency or its successors;
- (e) "Creating Documents" means the declaration and description which are intended to be registered against title to the Property and which will serve to create the Condominium, as may be amended from time to time;
- (f) "Interim Occupancy" shall mean the period of time from the Occupancy Date to the Title Transfer Date;
- (g) "Occupancy Licence" shall mean the terms and conditions by which the Purchaser shall occupy the Unit during Interim Occupancy as set forth in Schedule "C" hereof;
- (h) "Occupancy Fee" shall mean the sum of money payable monthly in advance by the Purchaser to the Vendor and calculated in accordance with Schedule "C" hereof;
- (i) "Property" shall mean the lands and premises upon which the Condominium is constructed or shall be constructed and legally described in the Condominium Documents; and
- (j) "TWC" means Tarion Warranty Corporation or its successors.

Finishes

4. The Purchase Price shall include those items listed on Schedule "B" attached hereto. The Purchaser acknowledges that only the items set out in Schedule "B" are included in the Purchase Price and that model suite/vingnette furnishings and appliances, decor, upgrades, artist's renderings, scale model(s), improvements, mirrors, drapes, tracks and wall coverings are for display purposes only and are not included in the Purchase Price unless specified in Schedule "B". The Purchaser agrees to attend and notify the Vendor of his/her choice of finishes within fifteen (15) days of being requested to do so by the Vendor. In the event colours and/or finishes subsequently become unavailable, the Purchaser agrees to re-attend at such time or times as requested by the Vendor or its agents, to choose from substitute colours and/or finishes. If the Purchaser fails to choose colours or finishes within the time periods requested, the Vendor may irrevocably choose the colours and finishes for the Purchaser and the Purchaser agrees to accept the Vendor's selections.

Deposits

- 5. (a) The Vendor shall credit the Purchaser with interest at the prescribed rate on either the Occupancy Date or Title Transfer Date at the Vendor's sole discretion on all money received by the Vendor on account of the Purchase Price from the date of deposit of the money received from time to time by the Declarant's solicitor or the trustee until the Occupancy Date. The Purchaser acknowledges and agrees that, for the purposes of subsection 81(6) of the Act, compliance with the requirement to provide written evidence, in the form prescribed by the Act, of payment of monies by or on behalf of the Purchaser on account of the Purchase Price of the Unit shall be deemed to have been sufficiently made by delivery of such written evidence to the address of the Purchaser noted in the Tarion Addendum. The Purchaser further acknowledges and agrees that any cheques provided to the Vendor on account of the Purchase Price will not be deposited and accordingly interest as prescribed by the Act will not accrue thereon, until after the expiry of the ten (10) day rescission period as provided for in section 73 of the Act (or any extension thereof as may be agreed to in writing by the Vendor). The Purchaser represents and warrants that the Purchaser is not a non-resident of Canada within the meaning of the Income Tax Act of Canada (the "ITA"). If the Purchaser is not a resident of Canada for the purposes of the ITA the Vendor shall be entitled to withhold and remit to CRA the appropriate amount of interest payable to the Purchaser on account of the deposits paid hereunder, under the ITA.
- (b) All deposits paid by the Purchaser shall be held by the Escrow Agent in a designated trust account, and shall be released only in accordance with the provisions of subsection 81(7) of the Act and the regulations thereto, as amended. Without limiting the generality of the foregoing, and for greater clarity, it is understood and agreed that with respect to any deposit monies received from the Purchaser the Escrow Agent shall be entitled to withdraw such deposit monies from said designated trust account prior to the Title Transfer Date if and only when the Vendor obtains a Certificate of Deposit from TWC for deposit monies up to Twenty Thousand (\$20,000.00) Dollars and with respect to deposit monies in excess of Twenty Thousand (\$20,000.00) Dollars, one or more excess condominium deposit insurance policies (issued by any insurer as may be selected by the Vendor, authorized to provide excess condominium deposit insurance in Ontario) insuring the deposit monies so withdrawn (or intended to be withdrawn), and delivers the said excess condominium deposit insurance policies (duly executed by or on behalf of the insurer and the Vendor) to the Escrow Agent holding the deposit monies for which said policies have been provided as security, in accordance with the provisions of section 21 of O. Reg. 48/01.

Adjustments

- 6. (a) Commencing as of the Occupancy Date, the Purchaser shall be responsible and be obligated to pay the following costs and/or charges in respect to the Unit:
 - (i) all utility costs including electricity, gas and water (unless included as part of the common expenses); and
 - (ii) the Occupancy Fee owing by the Purchaser for Interim Occupancy prior to the Title Transfer Date (if applicable).
- (b) The Purchase Price shall be adjusted to reflect the following items, which shall be apportioned and allowed from the Title Transfer Date, with that day itself apportioned to the Purchaser:
 - (iii) realty taxes (including local improvement charges pursuant to the *Local Improvement Charges Act*, if any) which may be estimated as if the Unit has been assessed as fully completed by the taxing authority for the calendar year in which the transaction is completed as well as for the following calendar year, notwithstanding the same may not have been levied or paid on the Title Transfer Date. The Vendor shall be entitled in its sole discretion to collect from the Purchaser a reasonable estimate of the taxes as part of the Occupancy Fee and/or such further amounts on the Title Transfer Date, provided all amounts so collected shall either be remitted to the relevant taxing authority on account of the Unit or held by the Vendor pending receipt of final tax bills for the Unit, following which said realty taxes shall be readjusted in accordance with subsections 80(8) and (9) of the Act; and
 - (iv) common expense contributions attributable to the Unit, with the Purchaser being obliged to provide the Vendor on or before the Title Transfer Date with a series of post-dated cheques payable to the condominium corporation for the common expense contributions attributable to the Unit, for such period of time after the Title Transfer Date as determined by the Vendor (but in no event for more than one year).
- (c) Interest on all money paid by the Purchaser on account of the Purchase Price, shall be adjusted and credited to the Purchaser in accordance with paragraph 5 of this Agreement.
- (d) The Purchaser shall, in addition to the Purchase Price, pay the following amounts to the Vendor on the Title Transfer Date:
 - (i) If there are chattels involved in this transaction, the allocation of value of such chattels shall be estimated where necessary by the Vendor and retail sales tax may be collected and remitted by the Vendor or alternatively, the

Purchaser shall pay as a credit to the Vendor on the Statement of Adjustments, the provincial sales tax paid by the Vendor on account of chattels in Schedule "B";

- (ii) Any new taxes imposed on the Unit by the federal, provincial, or municipal government or any increases to existing taxes currently imposed on the Unit by such government. Without limiting the generality of any provision of this Agreement, the Purchase Price excludes provincial sales tax which may be payable on the Unit, on its own or as part of a harmonized sales tax and accordingly, if same is payable in respect of the transaction contemplated by this Agreement, it shall be paid by the Purchaser on the Unit Transfer Date in addition to the Purchase Price as an adjustment on closing or as otherwise directed by the Vendor. Without limiting the generality of the foregoing, the Purchase Price excludes Provincial Sales Tax which may be payable on the Unit which, if applicable, shall be paid by the Purchaser in addition to the Purchase Price, as aforesaid;
 - (iii) The sum of \$3,500.00 towards any development charge(s) and/or education development charge(s) assessed against or attributable to the Unit (or assessed against the Property or any portion thereof), pursuant to the *Development Charges Act, 1997*, S.O. 1997, as amended from time to time, and the *Education Act, S.O. 1997*, as amended from time to time.
 - (iv) The sum of \$2,000.00 towards any parks levy or any charges pursuant to a section 37 Agreement (pursuant to the *Planning Act*), levied, charged or otherwise imposed with respect to the Condominium, the Property or the Unit by any governmental authority;
 - (v) The cost of the TWC enrolment fee for the Unit (together with any provincial or federal taxes exigible with respect thereto);
 - (vi) The amount of \$875.00 towards the cost of water meter installations, water and sewer service connection charges and hydro and gas installation and connection or energization charges for the Unit and/or the Condominium, and where such costs or charges or any portion thereof are assessed against the Property and not the Unit separately, then the Purchaser's portion of such installation and/or connection or energization charges and costs shall be calculated by dividing the total amount of such charges and costs by the number of units in the Condominium and by charging the Purchaser in the statement of adjustments with that portion of the charges and costs. A letter from the Vendor's engineers certifying the said charges and costs shall be final and binding on the Purchaser.
 - (vii) The cost of any carbon monoxide detector installed in the Unit (if applicable);
 - (viii) The charge imposed upon the Vendor or its solicitors by the Law Society of Upper Canada upon registration of a Transfer/Deed of Land or Charge/Mortgage of Land or any other instrument;
 - (ix) A sum of Fifty (\$50.00) Dollars for each cheque tendered pursuant to paragraph 1(a) and 1(b) of this Agreement and for any cheque tendered for upgrades or any other monies paid on account of the Purchase Price up to, but not including the Title Transfer Date representing a reasonable reimbursement to the Vendor of the costs incurred or to be incurred by the Vendor in fulfillment of the requirements of subsection 81(6) of the Act;
 - (x) The Purchaser agrees to pay Two Hundred and Fifty (\$250.00) Dollars towards the cost of obtaining (partial) discharges of mortgages not intended to be assumed by the Purchaser; and
 - (xi) The Purchaser shall reimburse the Vendor for a portion of the Vendor's costs of engineering reports prepared to satisfy the requirements of TWC under Bulletin 19 with the Purchaser's portion of such costs either being equal to the percentage allocation referable to the Unit as set forth in Schedule "D" to the Declaration or by dividing same by the number of residential units in the Condominium.
- (e) In the event that the Purchaser desires to increase the amount to be paid to the Vendor's solicitors on the Occupancy Date at any time after the expiry of the initial ten (10) day statutory rescission period, or wishes to vary the manner in which the Purchaser has previously requested to take title to the Property, or wishes to add or change any unit(s) being acquired from the Vendor, then the Purchaser hereby covenants and agrees to pay to the Vendor's Solicitor the legal fees and ancillary disbursements which may be incurred by the Vendor or charged by the Vendor's Solicitors in order to implement any of the foregoing changes so requested by the Purchaser (with the Vendor's Solicitors' legal fees for implementing any such changes to any of the interim closing and/or final closing documents so requested by the Purchaser and agreed to by the Vendor being \$250.00 plus G.S.T.), but without there being any obligation whatsoever on the part of the Vendor to approve of, or to implement, any of the foregoing changes so requested.
- (f) It is further understood and agreed that the Unit may include a rental or leased furnace/HVAC system or hot water tank and associated components which would remain the property of the appropriate company or other supplier of such item, and in such event, the Purchaser shall pay the monthly rental/lease charges assessed with respect thereto from and after the Occupancy Date, and shall execute all requisite rental documents in connection therewith.
- (g) The Purchaser acknowledges that it may be required to enter into an agreement with the supplier of hydro services to the Condominium (the "Hydro Supplier") on or before the Closing Date. Furthermore, the Purchaser acknowledges that such agreement may require the Purchaser to deliver a security deposit to the Hydro Supplier prior to the Occupancy Date and the Purchaser agrees to deliver such security deposit to the Vendor on the Occupancy Date.
- (h) It is acknowledged and agreed by the parties hereto that the Purchase Price already includes a component equivalent to the federal goods and services tax exigible with respect to this purchase and sale transaction less the new housing rebate, if applicable (hereinafter referred to as the "GST"), and that the Vendor shall remit the GST to CRA on behalf of the Purchaser forthwith following the completion of this transaction. The Purchaser hereby warrants and represents to the Vendor that with respect to this transaction, in those circumstances where the Purchase Price (exclusive of the GST component thereof) is less than \$450,000.00, the Purchaser qualifies for the new housing rebate applicable pursuant to section 254 of the *Excise Tax Act* (Canada), as amended (the "Rebate"), and further warrants and confirms that the Purchaser is a natural person who is acquiring the Property with the intention of being the sole beneficial owner thereof on the Title Transfer Date (and not as the agent or trustee for or on behalf of any other party or parties), and covenants that upon the Occupancy Date the Purchaser or one or more of the Purchaser's relations (as such term is defined in the *Excise Tax Act*) shall personally occupy the Unit as his, her or their primary place of residence, for such period of time as shall be required by the *Excise Tax Act*, and any other applicable legislation, in order to entitle the Purchaser to the Rebate (and the ultimate assignment thereof to and in favour of the Vendor) in respect of the Purchaser's acquisition of the Unit. The Purchaser further warrants and represents that he or she has not claimed (and hereby covenants that the Purchaser shall not hereafter claim), for the Purchaser's own account, any part of the Rebate in connection with the Purchaser's acquisition of the Unit, save as otherwise hereinafter expressly provided or contemplated. The Purchaser hereby irrevocably assigns to the Vendor all of the Purchaser's rights, interests and entitlements to the Rebate (and concomitantly releases all of the Purchaser's claims or interests in and to the Rebate, to and in favour of the Vendor), and hereby irrevocably authorizes and directs CRA to pay or credit the Rebate directly to the Vendor. In addition, the Purchaser shall execute and deliver to the Vendor, forthwith upon the Vendor's request for same (and in any event on or before the Title Transfer Date), all requisite documents and assurances that the Vendor may reasonably require in order to confirm the Purchaser's entitlement to the Rebate and/or to enable the Vendor to obtain the benefit of the Rebate (by way of assignment or otherwise), including without limitation, the New Housing Application for Rebate of Goods and Services Tax Form as prescribed from time to time, (the "Rebate Form"). The Purchaser covenants and agrees to indemnify and save the Vendor harmless from and against any loss, cost, damage and/or liability (including an amount equivalent to the Rebate, plus penalties and interest thereon) which the Vendor may suffer, incur or be charged with, as a result of the Purchaser's failure to qualify for the Rebate, or as a result of the Purchaser having qualified initially but being subsequently disentitled to the Rebate, or as a result of the inability to assign the benefit of the Rebate to the Vendor (or the ineffectiveness of the documents purporting to assign the benefit of the Rebate to the Vendor). As security for the payment of such amount, the Purchaser does hereby charge and pledge his/her interest in the Unit with the intention of creating a lien or charge against same. It is further understood and agreed by the parties hereto that:
- (i) If the Purchaser does not qualify for the Rebate, or fails to deliver to the Vendor or the Vendor's solicitors forthwith upon the Vendor's request for same (and in any event on or before the Title Transfer Date) the Rebate Form duly executed by the Purchaser, together with all other requisite documents and assurances that the Vendor may reasonably require from the Purchaser or the Purchaser's solicitor in order to confirm the Purchaser's eligibility for

the Rebate and/or to ensure that the Vendor ultimately acquires (or is otherwise assigned) the benefit of the Rebate; or

- (ii) if the Vendor believes, for whatever reason, that the Purchaser does not qualify for the Rebate, regardless of any documentation provided by or on behalf of the Purchaser (including any statutory declaration sworn by the Purchaser) to the contrary, and the Vendor's belief or position on this matter is communicated to the Purchaser or the Purchaser's solicitor on or before the Title Transfer Date;

then notwithstanding anything hereinbefore or hereinafter provided to the contrary, the Purchaser shall be obliged to pay to the Vendor (or to whomsoever the Vendor may in writing direct), by certified cheque delivered on the Title Transfer Date, an amount equivalent to the Rebate, in addition to the Purchase Price and in those circumstances where the Purchaser maintains that he or she is eligible for the Rebate despite the Vendor's belief to the contrary, the Purchaser shall (after payment of the amount equivalent to the Rebate as aforesaid) be fully entitled to file the Rebate Form directly with (and pursue the procurement of the Rebate directly from) CRA. It is further understood and agreed that in the event that the Purchaser intends to rent out the Unit before the Title Transfer Date with the express written approval of the Vendor before or after the Title Transfer Date, the Purchaser shall not be entitled to the Rebate, but may nevertheless be entitled to pursue, on his or her own after the Title Transfer Date, the new residential rental property rebate directly with CRA, pursuant to section 256.2 of the Excise Tax Act.

- (i) Notwithstanding any other provision herein contained in this Agreement, the Purchaser acknowledges and agrees that the Purchase Price does not include any G.S.T. exigible with respect to any of the adjustments payable by the Purchaser pursuant to this Agreement, or any extras or upgrades purchased, ordered or chosen by the Purchaser from the Vendor which are not specifically set forth in this Agreement, and the Purchaser covenants and agrees to pay such G.S.T. to the Vendor in accordance with the Excise Tax Act. In addition, and without limiting the generality of the foregoing, in the event that the Purchase Price is increased by the addition of extras, changes, upgrades or adjustments and as a result of such increase, the quantum of the Rebate that would otherwise be available is reduced or extinguished (the quantum of such reduction being hereinafter referred to as the "Reduction"), then the Purchaser shall pay to the Vendor on the Title Transfer Date (as determined by the Vendor in its sole and absolute discretion) the Reduction.
- (i) An administration fee of TWO HUNDRED AND FIFTY (\$250.00) DOLLARS shall be charged to the Purchaser for any cheque payable hereunder delivered to the Vendor or to the Vendor's Solicitors and not accepted by the Vendor's or the Vendor's Solicitor's bank for any reason. At the Vendor's option, this administration fee can be collected as an adjustment on the Title Transfer Date or together with the replacement cheque delivered by the Purchaser.

Title

- 7. The Vendor or its Solicitor shall notify the Purchaser or his/her Solicitor following registration of the Creating Documents so as to permit the Purchaser or his/her Solicitor to examine title to the Unit (the "Notification Date"). The Purchaser shall be allowed twenty (20) days from the Notification Date (the "Examination Period") to examine title to the Unit at the Purchaser's own expense and shall not call for the production of any surveys, title deeds, abstracts of title, grading certificates, occupancy permits or certificates, nor any other proof or evidence of the title or occupiability of the Unit, except such copies thereof as are in the Vendor's possession. If within the Examination Period, any valid objection to title or to any outstanding work order is made in writing to the Vendor which the Vendor shall be unable or unwilling to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intervening acts or negotiations in respect of such objections, be null and void and the deposit monies together with the interest required by the Act to be paid after deducting any payments due to the Vendor by the Purchaser as provided for in this Agreement shall be returned to the Purchaser and the Vendor shall have no further liability or obligation hereunder and shall not be liable for any costs or damages. Save as to any valid objections so made within the Examination Period, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Unit. The Purchaser acknowledges and agrees that the Vendor shall be entitled to respond to some or all of the requisitions submitted by or on behalf of the Purchaser through the use of a standard title memorandum or title advice statement prepared by the Vendor's Solicitors, and that same shall constitute a satisfactory manner of responding to the Purchaser's requisitions, thereby relieving the Vendor and the Vendor's Solicitors of the requirement to respond directly or specifically to the Purchaser's requisitions.

Direction Re: Title

- 8. The Purchaser hereby agrees to submit to the Vendor or the Vendor's Solicitors on the earlier of the Occupancy Date and twenty (20) days prior to the Title Transfer Date, a written direction as to how the Purchaser intends to take title to the Unit, including, the date(s) of birth and marital status and the Purchaser shall be required to close the transaction in the manner so advised unless the Vendor otherwise consents in writing, which consent may be arbitrarily withheld. If the Purchaser does not submit such confirmation within the required time as aforesaid the Vendor shall be entitled to tender a Transfer/Deed on the Title Transfer Date engrossed in the name of the Purchaser as shown on the face of this Agreement.

Permitted Encumbrances

- 9. (a) The Purchaser agrees to accept title subject to the following:
 - (i) the Condominium Documents, notwithstanding that they may be amended and varied from the proposed Condominium Documents in the general form attached to the Disclosure Statement delivered to the Purchaser as set out in Schedule "E";
 - (ii) registered restrictions or covenants that run with the Property, including any encroachment agreement(s) with any governmental authorities or adjacent land owner(s), provided that same are complied with as at the Title Transfer Date;
 - (iii) easements, rights-of-way and/or licences now registered (or to be registered hereafter) for the supply and installation of utility services, drainage, telephone services, electricity, gas, storm and/or sanitary sewers, water, cable television/internet, recreational and shared facilities, and/or any other service(s) to or for the benefit of the Condominium (or to any adjacent or neighbouring properties), including any easement(s) which may be required by the Vendor (or by the owner of the Property, if not one and the same as the Vendor), or by any owner(s) of adjacent or neighbouring properties, for servicing and/or access to (or entry from) such properties, together with any easement and cost-sharing agreement(s) or reciprocal agreement(s) confirming (or pertaining to) any easement or right-of-way for access, egress, support and/or servicing purposes, and/or pertaining to the sharing of any services, facilities and/or amenities with adjacent or neighbouring property owners, provided that any such easement and cost-sharing agreements or reciprocal agreements are (insofar as the obligations thereunder pertaining to the Property, or any portion thereof, are concerned) complied with as at the Title Transfer Date;
 - (iv) registered municipal agreements and registered agreements with publicly regulated utilities and/or with local ratepayer associations, including without limitation, any development, site plan, condominium, subdivision, Section 37, collateral, limiting distance, engineering and/or other municipal agreement (or similar agreements entered into with any governmental authorities including any amendments or addenda related thereto), (with all of such agreements being hereinafter collectively referred to as the "Development Agreements"), provided that same are complied with as at the Title Transfer Date, or security has been posted in such amounts and on such terms as may be required by the governmental authorities to ensure compliance therewith and/or the completion of any outstanding obligations thereunder; and
 - (v) unregistered or inchoate liens for unpaid utilities in respect of which no formal bill, account or invoice has been issued by the relevant utility authority (or if issued, the time for payment of same has not yet expired), without any claim or request by the Purchaser for any utility holdback(s) or reduction/abatement in the Purchase Price, provided that the Vendor delivers to the Purchaser the Vendor's written undertaking to pay all outstanding utility accounts owing with respect to the Property (including any amounts owing in connection with any final meter reading(s) taken on or immediately prior to the Title Transfer Date, if applicable), as soon as reasonably possible after the completion of this transaction;
- (b) It is understood and agreed that the Vendor shall not be obliged to obtain or register on title to the property a release of (or an amendment to) any of the aforementioned easements, Development Agreements, reciprocal agreements or restrictive covenants or any of the other aforementioned agreements or notices, nor shall the Vendor be obliged to have any of same deleted from the title to the Property, and the Purchaser hereby expressly acknowledges and agrees that the Purchaser shall satisfy himself or herself as to compliance therewith. The Purchaser agrees to observe and comply with the terms and provisions of the Development Agreements, and all restrictive covenants registered on title. The Purchaser further

acknowledges and agrees that the retention by the local municipality within which the Property is situate (the "Municipality"), or by any of the other governmental authorities, of security (e.g. in the form of cash, letters of credit, a performance bond, etc., satisfactory to the Municipality and/or any of the other governmental authorities) intended to guarantee the fulfillment of any outstanding obligations under the Development Agreements shall, for the purposes of the purchase and sale transaction contemplated hereunder, be deemed to be satisfactory compliance with the terms and provisions of the Development Agreements. The Purchaser also acknowledges that the wires, cables and fittings comprising the cable television system serving the Condominium are (or may be) owned by the local cable television supplier, or by a company associated, affiliated with or related to the Vendor.

- (c) The Purchaser covenants and agrees to consent to the matters referred to in subparagraph 9(a) hereof and to execute all documents and do all things requisite for this purpose, either before or after the Title Transfer Date;
- (d) In the event that the Vendor is not the registered owner of the Property, the Purchaser agrees to accept a conveyance of title from the registered owner together with the owner's title covenants in lieu of the Vendor's.
- (e) The Vendor shall be entitled to insert in the Transfer/Deed of Land, specific covenants by the Purchaser pertaining to any or all of the restrictions, easements, covenants and agreements referred to herein and in the Condominium Documents, and in such case, the Purchaser may be required to deliver separate written covenants on closing. If so requested by the Vendor, the Purchaser covenants to execute all documents and instruments required to convey or confirm any of the easements, licences, covenants, agreements, and/or rights, required pursuant to this Agreement and shall observe and comply with all of the terms and provisions therewith. The Purchaser may be required to obtain a similar covenant (enforceable by and in favour of the Vendor), in any agreement entered into between the Purchaser and any subsequent transferee of the Unit.

Vendor's Lien

- 10. The Purchaser agrees that the Vendor shall have a Vendor's Lien for unpaid purchase monies on the Title Transfer Date and shall be entitled to register a Notice of Vendor's Lien against the Unit any time after the Title Transfer Date.

Partial Discharges

- 11. The Purchaser acknowledges that the Unit may be encumbered by mortgages (and collateral security thereto) which are not intended to be assumed by the Purchaser and that the Vendor shall not be obliged to obtain and register (partial) discharges of such mortgages insofar as they affect the Unit on the Title Transfer Date. The Purchaser agrees to accept the Vendor's Solicitors' undertaking to obtain and register (partial) discharges of such mortgages in respect of the Unit, as soon as reasonably possible after the Title Transfer Date subject to the Vendor or its solicitors providing to the Purchaser or the Purchaser's Solicitor the following:
 - (a) a mortgage statement or letter from the mortgagee(s) (or from their respective solicitors) confirming the amount, if any, required to be paid to the mortgagee(s) to obtain (partial) discharges of the mortgages with respect to the Unit;
 - (b) a direction from the Vendor to the Purchaser to pay such amounts to the mortgagee(s) (or to whomever the mortgagees may direct) on the Title Transfer Date to obtain a (partial) discharge of the mortgage(s) with respect to the Unit; and
 - (c) an undertaking from the Vendor's Solicitors to deliver such amounts to the mortgagees and to obtain and register the (partial) discharge of the mortgages with respect to the Unit upon receipt thereof and within a reasonable time following the Title Transfer Date and to advise the Purchaser or the Purchaser's Solicitor concerning registration particulars by posting same on the internet.

Construction Lien Act

- 12. The Purchaser covenants and agrees that he/she is a "home buyer" within the meaning of the *Construction Lien Act*, R.S.O. 1990, c.C.30, and will not claim any lien holdback on the Occupancy Date or Title Transfer Date. The Vendor shall complete the remainder of the Condominium according to its schedule of completion and neither the Occupancy Date nor the Title Transfer Date shall be delayed on that account.

The Planning Act

- 13. This Agreement and the transaction arising therefrom are conditional upon compliance with the provisions of section 50 of the *Planning Act*, R.S.O. 1990, c.P.13 and any amendments thereto on or before the Title Transfer Date.

Title Transfer Date

- 14. (a) The provisions of the Taron Addendum reflect the TWC's policies, regulations and/or guidelines on extensions of the First Tentative Occupancy Date, but it is expressly understood and agreed by the parties hereto that any failure to provide notice(s) of the extension(s) of the First Tentative Occupancy Date, Subsequent Tentative Occupancy Dates or Firm Occupancy Date, in accordance with the provisions of the Taron Addendum shall only give rise to a damage claim by the Purchaser against the Vendor up to a maximum of \$7,500.00, as more particularly set forth in the Regulations to the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, as amended (the "ONHWPA"), and under no circumstances shall the Purchaser be entitled to terminate this transaction or otherwise rescind this Agreement as a result thereof, other than in accordance with the Taron Addendum.
- (b) The Vendor's Solicitors shall designate a date not less than twenty (20) days after written notice is given to the Purchaser or his or her solicitor of the registration of the Creating Documents as the Title Transfer Date. The Title Transfer Date once designated may be extended from time to time by the Vendor's Solicitors provided that it shall not be more than twenty-four (24) months following the Occupancy Date.

Purchaser's Covenants, Representations and Warranties

- 15. The Purchaser covenants and agrees that this Agreement is subordinate to and postponed to any mortgages arranged by the Vendor and any advances thereunder from time to time, and to any easement, license or other agreement concerning the Condominium and the Condominium Documents. The Purchaser further agrees to consent to and execute all documentation as may be required by the Vendor in this regard and the Purchaser hereby irrevocably appoints the Vendor as the Purchaser's attorney to execute any consents or other documents required by the Vendor to give effect to this paragraph. The Purchaser hereby consents to the Vendor obtaining a consumer's report containing credit and/or personal information for the purposes of this transaction. The Purchaser further agrees to deliver to the Vendor, from time to time, within ten (10) days of written demand from the Vendor, all necessary financial and personal information required by the Vendor in order to evidence the Purchaser's ability to pay the balance of the Purchase Price on the Title Transfer Date, including without limitation, written confirmation of the Purchaser's income and evidence of the source of the payments required to be made by the Purchaser in accordance with this Agreement. Without limiting the generality of the foregoing and notwithstanding any other provision in this Agreement to the contrary, within ten (10) days of written demand from the Vendor, the Purchaser agrees to produce evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Title Transfer Date. If the Purchaser fails to provide the mortgage approval as aforesaid, then the Purchaser shall be deemed to be in default under this Agreement. The Vendor may, in its sole discretion, elect to accept in the place of such mortgage commitment, other evidence satisfactory to the Vendor that the Purchaser will have sufficient funds to pay the balance due on the Title Transfer Date.
- 16. The Purchaser acknowledges that notwithstanding any rule of law to the contrary, that by executing this Agreement, it has not acquired any equitable or legal interest in the Unit or the Property. The Purchaser covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, Purchaser's Lien, or any other document providing evidence of this Agreement against title to the Property, Unit or the Condominium and further agrees not to give, register, or permit to be registered any encumbrance against the Property, Unit or the Condominium. Should the Purchaser be in default of his or her obligations hereunder, the Vendor may, as agent and attorney of the Purchaser, cause the removal of notice of this Agreement, caution or other document providing evidence of this Agreement or any assignment thereof, from the title to the Property, Unit or the Condominium. In addition, the Vendor, at its option, shall have the right to declare this Agreement null and void in accordance with the provisions of paragraph 26 hereof. The Purchaser hereby irrevocably consents to a court order removing such notice of this Agreement, any caution, or any other document or instrument whatsoever from title to the Property, Unit or the Condominium and the Purchaser agrees to pay all of the Vendor's costs and expenses in obtaining such order (including the Vendor's Solicitor's fees on a full indemnity basis).
- 17. The Purchaser covenants and agrees with the Vendor not to list for sale, advertise for sale, offer for lease, offer for sale, sell, lease, transfer or assign his interest under this Agreement or in the Unit, not less than thirty (30) days prior to the Unit Transfer Date without first: (i)

obtaining the written consent of the Vendor, which consent will not be unreasonably withheld once the Vendor determines that ninety (90%) percent of the units in the Condominium have been sold, which determination shall be made by the Vendor in its sole and unfettered discretion; (ii) acknowledging in writing that the Purchaser shall remain fully responsible for the Purchaser's covenants, agreements and obligations contained in this Agreement; (iii) obtaining an assignment and assumption agreement from the transferee/assignee in a form acceptable to the Vendor acting reasonably; (iv) remitting payment of the sum of Two Thousand Five Hundred (\$2,500.00) Dollars (plus applicable GST) by certified cheque representing an administration fee payable to the Vendor for processing and for allowing such transfer or assignment; (v) and confirming that the listing of such sale, transfer or assignment is not, never was and will not be listed on the Toronto Real Estate Board, Multiple Listing Service ("MLS"); and (vi) obtaining the written consent or approval from any lending institution or mortgagee providing any financing to the Vendor, construction or otherwise, for the development and construction of the Condominium, in the event such consent or approval is required to be obtained by the Vendor as a condition for the advance or continued advance of any funds in respect of such financing. The Purchaser acknowledges and agrees that once a breach of the preceding covenant occurs, such breach is or shall be incapable of rectification, and accordingly the Purchaser acknowledges, and agrees that in the event of such breach, the Vendor shall have the unilateral right and option of terminating this Agreement and the Occupancy License, effective upon delivery of notice of termination to the Purchaser or the Purchaser's solicitor, whereupon the provisions of this Agreement dealing with the consequence of termination by reason of the Purchaser's default, shall apply. Subject to the foregoing, the Purchaser shall be entitled to direct that title to the Unit be taken in the name of an assignee. Notwithstanding the foregoing, the Purchaser shall be entitled to direct that title to the Unit be taken in the name of his or her spouse, or a member of his or her immediate family only, being limited to parents, siblings or children over the age of eighteen (18) years, and shall not be permitted to direct title to any other third parties.

18. The Purchaser acknowledges that the Vendor is (or may in the future be) processing and/or completing one or more zoning or minor variance applications with respect to the Lands (and/or the lands adjacent thereto or in the neighbouring vicinity thereof), as well as a site plan approval/development application/draft plan of condominium approval with respect to the Lands, in order to permit the development and construction of the Condominium thereon. The Purchaser acknowledges that during the rezoning, minor variance, site plan and/or draft plan of condominium approval process, the footprint or siting of the condominium building may shift from that originally proposed or intended, the overall height of the condominium building (and the number of levels/floors, and/or the number of dwelling units comprising the Condominium) may vary, and the location of the Condominium's proposed amenities may likewise be altered, without adversely affecting the floor plan layout, design and size of the interior of the Unit, and the Purchaser hereby expressly agrees to complete this transaction notwithstanding the foregoing, without any abatement in the Purchase Price, and without any entitlement to a claim for damages or other compensation whatsoever. The Purchaser further covenants and agrees that it shall not oppose the aforementioned zoning, minor variance and site plan/development applications, nor any other applications ancillary thereto, including without limitation, any application submitted or pursued by or on behalf of the Vendor to lawfully permit the development and registration of the Condominium, or to obtain an increase in the density coverage or the dwelling unit count (or yield) thereof, or for any other lawful purpose whatsoever, and the Purchaser expressly acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto.
19. The Purchaser covenants and agrees that he/she shall not interfere with the completion of other units and the common elements by the Vendor. Until the Condominium is completed and all units sold and transferred the Vendor may make such use of the Condominium as may facilitate the completion of the Condominium and sale of all the units, including, but not limited to the maintenance of a sales/rental/administration/construction office(s) and model units, and the display of signs located on the Property.

Termination without Default

20. In the event this Agreement is terminated through no fault of the Purchaser, all deposit monies paid by the Purchaser towards the Purchase Price, together with any interest required by law to be paid, shall be returned to the Purchaser; provided however, that the Vendor shall not be obligated to return any monies paid by the Purchaser as an Occupancy Fee. The Vendor shall be entitled to require the Purchaser to execute a release of any surety, lender or any other third party requested by the Vendor in its discretion prior to the return of such monies. In no event shall the Vendor or its agents be liable for any damages or costs whatsoever and without limiting the generality of the foregoing, for any loss of bargain, for any relocating costs, or for any professional or other fees paid in relation to this transaction. This provision may be pleaded by the Vendor as a complete defence to any such claim.

Tarion Warranty Corporation

21. The Vendor represents and warrants to the Purchaser that the Vendor is a registered vendor/builder with the TWC. The Purchaser acknowledges and agrees that any warranties of workmanship or materials, in respect of any aspect of the construction of the Condominium including the Unit, whether implied by this Agreement or at law or in equity or by any statute or otherwise, shall be limited to only those warranties deemed to be given by the Vendor under the ONHWPA and shall extend only for the time period and in respect of those items as stated in the ONHWPA, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement, or condition precedent to, concurrent with or in any way affecting this Agreement, the Condominium or the Unit, other than as expressed herein. The Purchaser hereby irrevocably appoints the Vendor his/her agent to complete and execute the TWC Certificate of Deposit and any excess condominium deposit insurance documentation in this regard, as required, both on its own behalf and on behalf of the Purchaser.

Right of Entry

22. Notwithstanding the Purchaser occupying the Unit on the Occupancy Date or the closing of this transaction and the delivery of title to the Unit to the Purchaser, as applicable, the Vendor or any person authorized by it shall be entitled at all reasonable times and upon reasonable prior notice to the Purchaser to enter the Unit and the common elements in order to make inspections or to do any work or replace therein or thereon which may be deemed necessary by the Vendor in connection with the Unit or the common elements and such right shall be in addition to any rights and easements created under the Act. A right of entry in favour of the Vendor for a period not exceeding five (5) years similar to the foregoing may be included in the Transfer/Deed provided on the Title Transfer Date and acknowledged by the Purchaser at the Vendor's sole discretion.

Occupancy

23. (a) The Unit shall be deemed to be substantially completed when the interior work has been finished to the minimum standards allowed by the Municipality so that the Unit may be lawfully occupied notwithstanding that there remains other work within the Unit and/or the common elements to be completed. The Purchaser shall not occupy the Unit until the Municipality has permitted same or consented thereto, if such consent is required and the Occupancy Date shall be postponed until such required consent is given. The Purchaser shall not require the Vendor to provide or produce an occupancy permit, certificate or authorization from the Municipality other than the documentation required by paragraph 8 of the Tarion Addendum. Provided that the Vendor complies with paragraph 8 of the Tarion Addendum, the Purchaser acknowledges that the failure to complete the common elements before the Occupancy Date shall not be deemed to be failure to complete the Unit, and the Purchaser agrees to complete this transaction notwithstanding any claim submitted to the Vendor and/or to the TWC in respect of apparent deficiencies or incomplete work provided, always, that such incomplete work does not prevent occupancy of the Unit as, otherwise, permitted by the Municipality.
- (b) If the Unit is substantially complete and fit for occupancy on the Occupancy Date, as provided for in subparagraph (a) above, but the Creating Documents have not been registered, (or in the event the Condominium is registered prior to the Occupancy Date and closing documentation has yet to be prepared), the Purchaser shall pay to the Vendor a further amount on account of the Purchase Price specified in paragraph 1(b) hereof without adjustment save for any pro-rated portion of the Occupancy Fee described and calculated in Schedule "C", and the Purchaser shall occupy the Unit on the Occupancy Date pursuant to the Occupancy Licence attached hereto as Schedule "C".

Inspection

24. (a) The Purchaser or the Purchaser's designate as hereinafter provided agrees to meet the Vendor's representative at the date and time designated by the Vendor, prior to the Occupancy Date, to conduct a pre-delivery inspection of the Unit (the "PDI") and to list all items remaining incomplete at the time of such inspection together with all mutually agreed deficiencies with respect to the Unit, on the TWC Certificate of Completion and Possession (the "CCP") and the PDI Form, in the forms prescribed from time to time by, and required to be completed pursuant to the provisions of the ONHWPA. The said CCP and PDI Forms shall be executed by both the Purchaser or the Purchaser's designate and the Vendor's representative at the PDI and shall constitute the Vendor's only undertaking with respect to incomplete or deficient work and the Purchaser shall not require any further undertaking of the Vendor to complete any outstanding items. In the event that the Vendor performs any additional work to the Unit in its discretion, the Vendor shall not be deemed to have waived the provision of this paragraph or otherwise enlarged its obligations hereunder.

- (b) The Purchaser acknowledges that the Homeowner Information Package as defined in TWC Bulletin 42 (the "HIP") is available from TWC and that the Vendor further agrees to provide the HIP to the Purchaser or the Purchaser's designate, at or before the PDI. The Purchaser or the Purchaser's designate agrees to execute and provide to the Vendor the Confirmation of Receipt of the HIP forthwith upon receipt of the HIP.
- (c) The Purchaser shall be entitled to send a designate to conduct the PDI in the Purchaser's place or attend with their designate, provided the Purchaser first provides to the Vendor a written authority appointing such designate for PDI prior to the PDI. If the Purchaser appoints a designate, the Purchaser acknowledges and agrees that the Purchaser shall be bound by all of the documentation executed by the designate to the same degree and with the force and effect as if executed by the Purchaser directly.
- (d) In the event the Purchaser and/or the Purchaser's designate fails to attend the PDI or fails to execute the CCP and PDI Forms at the conclusion of the PDI, the Vendor may declare the Purchaser to be in default under this Agreement and may exercise any or all of its remedies set forth in this Agreement of Purchase and Sale and/or at law. Alternatively, the Vendor may, at its option, complete the within transaction but not provide the keys to the Unit to the Purchaser until the CCP and PDI Forms have been executed by the Purchaser and/or its designate or complete the within transaction and complete the CCP and PDI Forms on behalf of the Purchaser and/or the Purchaser's designate and the Purchaser hereby irrevocably appoints the Vendor the Purchaser's attorney and/or agent and/or designate to complete the CCP and PDI Forms on the Purchaser's behalf and the Purchaser shall be bound as if the Purchaser or the Purchaser's designate had executed the CCP and PDI Forms.
- (e) In the event the Purchaser and/or the Purchaser's designate fails to execute the Confirmation of Receipt of the HIP forthwith upon receipt thereof, the Vendor may declare the Purchaser to be in default under this Agreement and may exercise any or all of its remedies set forth in this Agreement of Purchase and Sale and/or at law.

Purchaser's Default

- 25. (a) In the event that the Purchaser is in default with respect to any of his or her obligations contained in this Agreement (other than paragraph 2(d) hereof) or in the Occupancy License on or before the Title Transfer Date and fails to remedy such default forthwith, if such default is a monetary default and/or pertains to the execution and delivery of documentation required to be given to the Vendor on the Occupancy Date or the Title Transfer Date, or within five (5) days of the Purchaser being so notified in writing with respect to any other non-monetary default, then the Vendor, in addition to (and without prejudice to) any other rights or remedies available to the Vendor (at law or in equity) may, at its sole option, unilaterally suspend all of the Purchaser's rights, benefits and privileges contained herein (including without limitation, the right to make colour and finish selections with respect to the Unit as hereinbefore provided or contemplated), and/or unilaterally declare this Agreement and the Occupancy License to be terminated and of no further force or effect. All monies paid hereunder (including the deposit monies paid or agreed to be paid by the Purchaser pursuant to this Agreement which sums shall be accelerated on demand of the Vendor), together with any interest earned thereon and monies paid or payable for extras or upgrades or changes ordered by the Purchaser, whether or not installed in the Dwelling, shall be forfeited to the Vendor. The Purchaser agrees that the forfeiture of the aforesaid monies shall not be a penalty and it shall not be necessary for the Vendor to prove it suffered any damages in order for the Vendor to be able to retain the aforesaid monies. The Vendor shall in such event still be entitled to claim damages from the Purchaser in addition to any monies forfeited to the Vendor. The aforesaid retention of monies is in addition to (and without prejudice to) any other rights or remedies available to the Vendor at law or in equity. In the event of the termination of this Agreement and/or the Occupancy License by reason of the Purchaser's default as aforesaid, then the Purchaser shall be obliged to forthwith vacate the Unit (or cause same to be forthwith vacated) if same has been occupied (and shall leave the Unit in a clean condition, without any physical or cosmetic damages thereto, and clear of all garbage, debris and any furnishings and/or belongings of the Purchaser), and shall execute such releases and any other documents or assurances as the Vendor may require, in order to confirm that the Purchaser does not have (and the Purchaser hereby covenants and agrees that he/she does not have) any legal, equitable or proprietary interest whatsoever in the Unit and/or the Property (or any portion thereof) prior to the completion of this transaction and the payment of the entire Purchase Price to the Vendor or the Vendor's solicitors as hereinbefore provided, and in the event the Purchaser fails or refuses to execute same, the Purchaser hereby appoints the Vendor to be his or her lawful attorney in order to execute such releases, documents and assurances in the Purchaser's name, place and stead, and in accordance with the provisions of the Powers of Attorney Act, R.S.O. 1990, as amended, the Purchaser hereby declares that this power of attorney may be exercised by the Vendor during any subsequent legal incapacity on the part of the Purchaser. In the event the Vendor's Solicitors or an Escrow Agent is/are holding any of the deposits in trust pursuant to this Agreement, then in the event of default as aforesaid, the Purchaser hereby releases the said solicitors or Escrow Agent from any obligation to hold the deposit monies, in trust, and shall not make any claim whatsoever against the said solicitors or Escrow Agent and the Purchaser hereby irrevocably directs and authorizes the said solicitors or Escrow Agent to deliver the said deposit monies and accrued interest, if any, to the Vendor.
- (f) Notwithstanding subparagraph (a) above, the Purchaser acknowledges and agrees that if any amount, payment and/or adjustment which are due and payable by the Purchaser to the Vendor pursuant to this Agreement are not made and/or paid on the date due, but are subsequently accepted by the Vendor, notwithstanding the Purchaser's default, then such amount, payment and/or adjustment shall, until paid, bear interest at the rate equal to eight (8%) percent per annum above the bank rate as defined in subsection 19(2) of O. Reg. 48/01 to the Act at the date of default.

Common Elements

- 26. The Purchaser acknowledges that the Condominium will be constructed to Ontario Building Code requirements at the time of issuance of the building permit. The Purchaser covenants and agrees the Purchaser shall have no claims against the Vendor for any equal, higher or better standards of workmanship or materials. The Purchaser agrees that the foregoing may be pleaded by the Vendor as an estoppel in any action brought by the Purchaser or his/her successors in title against the Vendor. The Vendor may, from time to time, change, vary or modify in its sole discretion or at the instance of any governmental authority or mortgagee, any elevations, building specifications or site plans of any part of the Condominium, to conform with any municipal or architectural requirements related to building codes, official plan or official plan amendments, zoning by-laws, committee of adjustment and/or land division committee decisions, municipal site plan approval or architectural control. Such changes may be to the plans and specifications existing at inception of the Condominium or as they existed at the time the Purchaser entered into this Agreement, or as illustrated on any sales material, including without limitation, brochures, models or otherwise. With respect to any aspect of construction, finishing or equipment, the Vendor shall have the right, without the Purchaser's consent, to substitute materials, for those described in this Agreement or in the plans or specifications, provided the substituted materials are in the judgment of the Vendor's architect, whose determination shall be final and binding, of equal or better quality. The Purchaser shall have no claim against the Vendor for any such changes, variances or modifications nor shall the Vendor be required to give notice thereof. The Purchaser hereby consents to any such alterations and agrees to complete the sale notwithstanding any such modifications.

Executions

- 27. The Purchaser agrees to provide to the Vendor's Solicitors on the Occupancy Date a clear and up-to-date Execution Certificate confirming that no executions are filed at the local Land Titles Office against the individual(s) in whose name title to the Unit is being taken.

Risk

- 28. The Unit shall be and remain at the risk of the Vendor until the Title Transfer Date, subject to the terms of the Occupancy Licence attached hereto as Schedule "C". If any part of the Condominium is damaged before the Creating Documents are registered, the Vendor may in its sole discretion either:
 - (a) make such repairs as are necessary to complete this transaction and, if necessary, delay the Occupancy Date in the manner permitted in paragraph 7 of the Taron Addendum;
 - (b) terminate this Agreement and return to the Purchaser all deposit monies paid by the Purchaser to the Vendor, with interest payable under law if the damage to the Condominium has frustrated this Agreement at law; or
 - (c) apply to a court of competent jurisdiction for an order terminating the Agreement in accordance with the provisions of subsection 79(3) of the Act,

it being understood and agreed that all insurance policies and the proceeds thereof are to be for the benefit of the Vendor alone.

Tender/Termet

29. (a) The parties waive personal tender and agree that tender, in the absence of any other mutually acceptable arrangement and subject to the provisions of paragraph 30 of this Agreement shall be validly made by the Vendor upon the Purchaser, by a representative of the Vendor attending at the offices of Harris, Sheaffer, LLP at 12:00 noon on the Title Transfer Date or the Occupancy Date as the case may be and remaining there until 5:00 p.m. and is ready, willing and able to complete the transaction. The Purchaser agrees that keys may be released to the Purchaser as the construction site or sales office on the Occupancy Date or the Title Transfer Date, as applicable. The Vendor's advice that the keys are available shall be valid tender of possession of the Property to the Purchaser. In the event the Purchaser or his or her solicitor fails to appear or appears and fails to close, such attendance by the Vendor's representative (which includes the Vendor's Solicitors) shall be deemed satisfactory evidence that the Vendor is ready, willing and able to complete the sale at such time. Payment shall be tendered by certified cheque drawn on any Canadian chartered bank; and
- (d) It is further provided that, notwithstanding subparagraph 29 (a) hereof, in the event the Purchaser or his or her solicitor advise the Vendor or its Solicitors, on or before the Occupancy Date or Title Transfer Date, as applicable, that the Purchaser is unable or unwilling to complete the purchase or take occupancy, the Vendor is relieved of any obligation to make any formal tender upon the Purchaser or his or her solicitor and may exercise forthwith any and all of its right and remedies provided for in this Agreement and at law.
30. As the electronic registration system (hereinafter referred to as the "Teraview Electronic Registration System" or ("TERS") is operative in the applicable Land Titles Office in which the Property is registered, then at the option of the Vendor's solicitor, the following provisions shall prevail:
- (a) The Purchaser shall be obliged to retain a solicitor, who is both an authorized TERS user and in good standing with the Law Society of Upper Canada to represent the Purchaser in connection with the completion of the transaction. The Purchaser shall authorize such solicitor to, at the option of the Vendor's Solicitors, either execute an escrow closing agreement with the Vendor's Solicitor on the standard form recommended by the Law Society of Upper Canada (hereinafter referred to as the "Escrow Document Registration Agreement") establishing the procedures and timing for completing this transaction or to otherwise agree to be bound by the procedures set forth in the Escrow Document Registration Agreement.
- (b) The delivery and exchange of documents, monies and keys to the Unit and the release thereof to the Vendor and the Purchaser, as the case may be:
- (i) shall not occur contemporaneously with the registration of the Transfer/Deed (and other registerable documentation); and
- (ii) shall be governed by the Escrow Document Registration Agreement, pursuant to which the solicitor receiving the documents, keys and/or certified funds will be required to hold same in escrow, and will not be entitled to release same except in strict accordance with the provisions of the Escrow Document Registration Agreement.
- (c) If the Purchaser's solicitor is unwilling or unable to complete this transaction via TERS, in accordance with the provisions contemplated under the Escrow Document Registration Agreement, then said solicitor (or the authorized agent thereof) shall be obliged to personally attend at the office of the Vendor's solicitor, at such time on the Title Transfer Date as may be directed by the Vendor's solicitor or as mutually agreed upon, in order to complete this transaction via TERS utilizing the computer facilities in the Vendor's solicitor's office, and shall pay a fee as determined by the Vendor's solicitor, acting reasonably for the use of the Vendor's computer facilities.
- (d) The Purchaser expressly acknowledges and agrees that he or she will not be entitled to receive the Transfer/Deed to the Unit for registration until the balance of funds due on closing, in accordance with the statement of adjustments, are either remitted by certified cheque via personal delivery or by electronic funds transfer to the vendor's solicitor (or in such other manner as the latter may direct) prior to the release of the Transfer/Deed for registration.
- (e) Each of the parties hereto agrees that the delivery of any documents not intended for registration on title to the Unit may be delivered to the other party hereto by telefax transmission (or by a similar system reproducing the original or by electronic transmission of electronically signed documents through the Internet), provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto which may be by electronic signature. The party transmitting any such document shall also deliver the original of same (unless the document is an electronically signed document pursuant to the *Electronic Commerce Act*) to the recipient party by overnight courier sent the day of closing or within 7 business days of closing, if same has been so requested by the recipient party.
- (f) Notwithstanding anything contained in this agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has:
- (i) delivered all closing documents and/or funds to the Purchaser's solicitor in accordance with the provisions of the Escrow Document Registration Agreement and keys are made available for the Purchaser to pick up at the Vendor's sales of customer service office;
- (ii) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
- (iii) has completed all steps required by TERS in order to complete this transaction that can be performed or undertaken by the Vendor's solicitor without the cooperation or participation of the Purchaser's solicitor, and specifically when the "completeness signatory" for the transfer/deed has been electronically "signed" by the Vendor's solicitor;
- without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents, keys and/or funds, and without any requirement to have an independent witness evidencing the foregoing.

General

31. The Vendor shall provide a statutory declaration on the Title Transfer Date that it is not a non-resident of Canada within the meaning of the ITA.
32. The Vendor and Purchaser agree to pay the costs of registration of their own documents and any tax in connection therewith.
33. The Vendor and the Purchaser agree that there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing.
34. This Offer and its acceptance is to be read with all changes of gender or number required by the context and the terms, provisions and conditions hereof shall be for the benefit of and be binding upon the Vendor and the Purchaser, and as the context of this Agreement permits, their respective heirs, estate trustees, successors and permitted assigns.
35. The Purchaser acknowledges that the suite area of the Unit, as may be represented or referred to by the Vendor or any sales agent, or which appear in any sales material is approximate only, and is generally measured to the outside of all exterior, corridor and stairwell walls, and to the centre line of all party walls separating one unit from another. NOTE: For more information on the method of calculating the floor area of any unit, reference should be made to Builder Bulletin No. 22 published by the TWC. Actual useable floor space may (therefore) vary from any stated or represented floor area or gross floor area, and the extent of the actual or useable living space within the confines of the Unit may vary from any stated or represented square footage or floor area measurement(s) made by or on behalf of the Vendor. In addition, the Purchaser is advised that the floor area measurements are generally calculated based on the middle floor of the Condominium building for each suite type, such that units on lower floors may have less floor space due to thicker structural members, mechanical rooms, etc., while units on higher floors may have more floor space. Accordingly, the Purchaser hereby confirms and agrees that all details and dimensions of the Unit purchased hereunder are approximate only, and that the Purchase Price shall not be subject to any adjustment or claim for compensation whatsoever, whether based upon the ultimate square footage of the Unit, or the actual or useable living space within the confines of the Unit or otherwise. The Purchaser further acknowledges that the ceiling height of the Unit is measured from the upper surface of the concrete floor slab (or subfloor) to the underside surface of the concrete ceiling slab (or joists). However, where ceiling bulkheads are installed within the Unit, and/or where dropped ceilings are required, then the ceiling height of the Unit will be less than that

represented, and the Purchaser shall correspondingly be obliged to accept the same without any abatement or claim for compensation whatsoever.

36. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
37. The headings of this Agreement form no part hereof and are inserted for convenience of reference only.
38. Each of the provisions of this Agreement shall be deemed independent and severable and the invalidity or unenforceability in whole or in part of any one or more of such provisions shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Agreement, and in such event all the other provisions of this Agreement shall continue in full force and effect as if such invalid provision had never been included herein. The Purchaser and the Vendor acknowledge and agree that this Agreement and all amendments and addenda thereto shall constitute an agreement made under seal.
39. (a) If any documents required to be executed and delivered by the Purchaser to the Vendor are, in fact, executed by a third party appointed as the attorney for the Purchaser, then the power of attorney appointing such person must be registered in the Land Titles office where the Lands are registered, and a duplicate registered copy thereof (together with a statutory declaration sworn by the Purchaser's solicitor unequivocally confirming, without any qualification whatsoever, that said power of attorney has not been revoked) shall be delivered to the Vendor along with such documents.
- (g) Where the Purchaser is a corporation, or where the Purchaser is buying in trust for another person or corporation for a disclosed or undisclosed beneficiary or principal (including, without limitation, a corporation to be incorporated), the execution of this Agreement by the principal or principals of such corporation, or by the person named as the Purchaser in trust as the case may be, shall be deemed and construed to constitute the personal indemnity of such person or persons so signing with respect to the obligations of the Purchaser herein and shall be fully liable to the Vendor for the Purchaser's obligations under this Agreement and may not plead such agency, trust relationship or any other relationships as a defence to such liability.

Notice

40. (a) Any notice required to be delivered under the provisions of the Tarion Addendum shall be delivered in the manner required by paragraph 14 of the Tarion Addendum.
- (b) Any other notice given pursuant to the terms of this Agreement shall be deemed to have been properly given if it is in writing and is delivered by hand, ordinary prepaid post, facsimile transmission or electronic mail to the attention of the Purchaser or to the Purchaser's solicitor to their respective addresses indicated herein or to the address of the Unit after the Occupancy Date and to the Vendor at 8791 Woodbine Avenue, Suite 100, Markham, Ontario, L3R 0P4, or to the Vendor's Solicitors at the address indicated in this Agreement or such other address as may from time to time be given by notice in accordance with the foregoing. Such notice shall be deemed to have been received on the day it was delivered by hand, by electronic mail or by facsimile transmission and upon the third day following posting, excluding Saturdays, Sundays and statutory holidays. This agreement or any amendment or addendum thereto may, at the Vendor's option, be properly delivered if it delivered by facsimile transmission or if a copy of same is computer scanned and forwarded by electronic mail to the other party.

Material Change

41. The Purchaser acknowledges and agrees that the Vendor may, from time to time in its sole discretion, due to site conditions or constraints, or for marketing considerations, or for any other legitimate reason, including without limitation any request or requirement of any of the governmental authorities or any request or requirement of the Vendor's architect or other design consultants:
- (h) change the Property's municipal address or numbering of the Unit (in terms of the unit number and/or level number ascribed to any one or more of the units comprising the Unit);
- (i) change, vary or modify the plans and specifications pertaining to the Unit or the Condominium, or any portion thereof (including architectural, structural, engineering, landscaping, grading, mechanical, site servicing and/or other plans and specifications) from the plans and specifications existing at the inception of the project, or existing at the time that the Purchaser has entered into this Agreement, or as same may be illustrated in any sales brochure(s), model(s) in the sales office or otherwise, including without limitation, making any change to the total number of dwelling, parking, locker and/or other ancillary units intended to be created within the Condominium, and/or any change to the total number of levels or floors within the Condominium, as well as any changes or alterations to the design, style, size and/or configuration of any dwelling or other ancillary units within the Condominium;
- (j) change, vary, or modify the number, size and location of any windows, column(s) and/or bulkhead(s) within or adjacent to (or comprising part of) the Unit, from the number, size and/or location of same as displayed or illustrated in any sales brochure(s), model(s) or floor plan(s) previously delivered or shown to the Purchaser, including the insertion or placement of any window(s), column(s) and/or bulkhead(s) in one or more locations within the Unit which have not been shown or illustrated in any sales brochure(s), model(s) or floor plan(s) previously delivered or shown to the Purchaser (regardless of the extent or impact thereof), as well as the removal of any window(s), column(s) and/or bulkhead(s) from any location(s) previously shown or illustrated in any sales brochure(s), model(s) in the sales office or otherwise; and/or
- (k) change the layout of the Unit such that same is a mirror image of the layout shown to the Purchaser (or a mirror image of the layout illustrated in any sales brochure or other marketing material(s) delivered to the Purchaser);

and that the Purchaser shall have absolutely no claim or cause of action whatsoever against the Vendor or its sales representatives (whether based or founded in contract, tort or in equity) for any such changes, deletions, alterations or modifications, nor shall the Purchaser be entitled to any abatement or reduction in the Purchase Price whatsoever as a consequence thereof, nor any notice thereof (unless any such change, deletion, alteration or modification to the said plans and specifications is material in nature (as defined by the Act) and significantly affects the fundamental character, use or value of the Unit and/or the Condominium, in which case the Vendor shall be obliged to notify the Purchaser in writing of such change, deletion, alteration or modification as soon as reasonably possible after the Vendor proposes to implement same, or otherwise becomes aware of same), and where any such change, deletion, alteration or modification to the said plans and specifications is material in nature, then the Purchaser's only recourse and remedy shall be the termination of this Agreement prior to the Title Transfer Date (and specifically within 10 days after the Purchaser is notified or otherwise becomes aware of such material change), and the return of the Purchaser's deposit monies, together with interest accrued thereon at the rate prescribed by the Act.

Cause of Action/Assignment

42. (a) The Purchaser acknowledges and agrees that notwithstanding any rights which he or she might otherwise have at law or in equity arising out of this Agreement, the Purchaser shall not assert any of such rights, nor have any claim or cause of action whatsoever as a result of any matter or thing arising under or in connection with this Agreement (whether based or founded in contract law, tort law or in equity, and whether for innocent misrepresentation, negligent misrepresentation, breach of contract, breach of fiduciary duty, breach of constructive trust or otherwise), against any person, firm, corporation or other legal entity, other than the person, firm, corporation or legal entity specifically named or defined as the Vendor herein, even though the Vendor may be (or may ultimately be found or adjudged to be) a nominee or agent of another person, firm, corporation or other legal entity, or a trustee for and on behalf of another person, firm, corporation or other legal entity, and this acknowledgment and agreement may be pleaded as an estoppel and bar against the Purchaser in any action, suit, application or proceeding brought by or on behalf of the Purchaser to assert any of such rights, claims or causes of action against any such third parties. Furthermore, the Purchaser and the Vendor acknowledge that this Agreement shall be deemed to be a contract under seal.
- (i) At any time prior to the Title Transfer Date, the Vendor shall be permitted to assign this Agreement (and its rights, benefits and interests hereunder) to any person, firm, partnership or corporation registered as a vendor pursuant to the ONHWPA and upon any such assignee assuming all obligations under this Agreement and notifying the Purchaser or the Purchaser's solicitor of such assignment, the Vendor named herein shall be automatically released from all obligations and liabilities to the Purchaser arising from this Agreement, and said assignee shall be deemed for all purposes to be the vendor herein as if it had been an original party to this Agreement, in the place and stead of the Vendor.

Non-Merger

43. The covenants and agreements of each of the parties hereto shall not merge on the Title Transfer Date, but shall remain in full force and effect according to their respective terms, until all outstanding obligations of each of the parties hereto have been duly performed or fulfilled

in accordance with the provisions of this Agreement. No further written assurances evidencing or confirming the non-merger of the covenants of either of the parties hereto shall be required or requested by or on behalf of either party hereto.

Notice/Warning Provisions

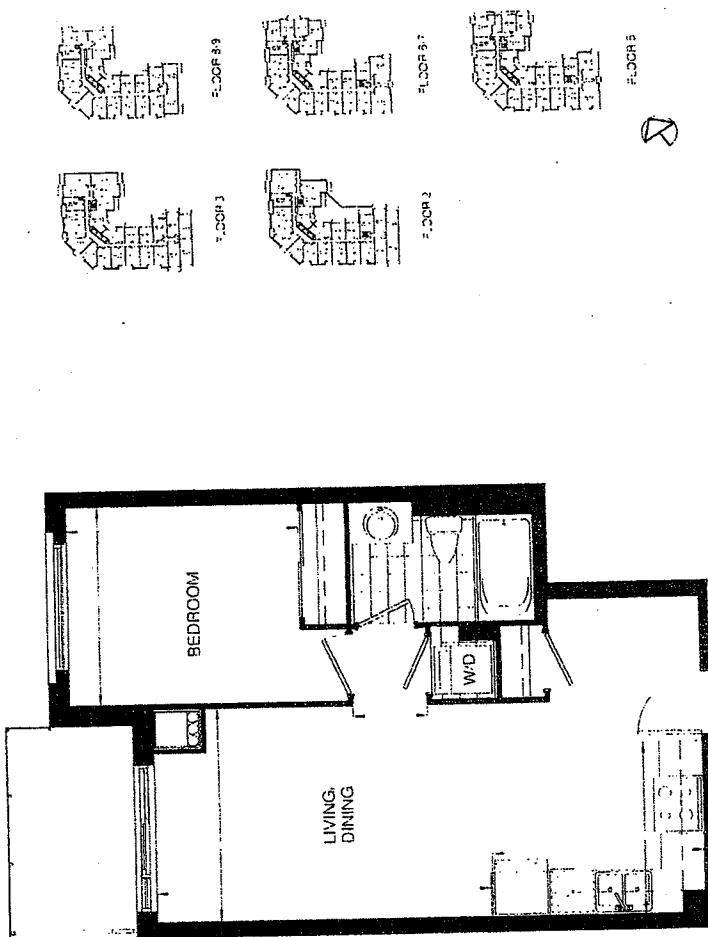
44. The Purchaser acknowledges that it is anticipated by the Vendor that in connection with the Vendor's application to the appropriate governmental authorities for draft plan of condominium approval certain requirements may be imposed upon the Vendor by various governmental authorities. These requirements (the "Requirements") usually relate to warning provisions to be given to Purchasers in connection with environmental or other concerns (such as warnings relating to noise levels, the proximity of the Condominium to major street, garbage storage and pickup, school transportation, and similar matters). Accordingly, the Purchaser covenants and agrees that (1) on either the Occupancy Date or Title Transfer Date, as determined by the Vendor, the Purchaser shall execute any and all documents required by the Vendor acknowledging, *inter alia*, that the Purchaser is aware of the Requirements, and (2) if the Vendor is required to incorporate the Requirements into the final Condominium Documents the Purchaser shall accept the same, without in any way affecting this transaction. Notwithstanding the generality of the foregoing, the Purchaser agrees to be bound by the warnings set forth in Schedule "D" hereto.

Purchaser's Consent to the Collection and Limited Use of Personal Information

45. The Purchaser hereby consents to the Vendor's collection, use and disclosure of the Purchaser's personal information for the purpose of enabling the Vendor to proceed with the Purchaser's purchase of the Unit, completion of this transaction, and for post-closing and after-sales customer care purposes. Such personal information includes the Purchaser's name, home address, e-mail address, telefax/telephone number, age, date of birth, marital and residency status, social insurance number (only with respect to subparagraph (b) below), financial information, desired suite design(s), and colour/finish selections. In particular, but without limiting the foregoing, the Vendor may disclose such personal information to:
- (a) Any relevant governmental authorities or agencies, including without limitation, the Land Titles Office (in which the Condominium is registered), the Ministry of Finance for the Province of Ontario (i.e. with respect to Land Transfer Tax), and the Canada Revenue Agency (i.e. with respect to GST);
 - (b) Canada Revenue Agency, to whose attention the T-5 interest income tax information return and/or the NR4 non-resident withholding tax information return is submitted (where applicable), which will contain or refer to the Purchaser's social insurance number or business registration number (as the case may be), as required by Regulation 201(1)(b)(ii) of the ITA, as amended;
 - (c) The Condominium for the purposes of facilitating the completion of the Condominium's voting, leasing and/or other relevant records and to the Condominium's property manager for the purposes of facilitating the issuance of notices, the collection of common expenses and/or implementing other condominium management/administration functions;
 - (d) any companies or legal entities that are associated with, related to or affiliated with the Vendor, other future condominium declarants that are likewise associated with, related to or affiliated with the Vendor (or with the Vendor's parent/holding company) and are developing one or more other condominium projects or communities that may be of interest to the Purchaser or members of the Purchaser's family, for the limited purposes of marketing, advertising and/or selling various products and/or services to the Purchaser and/or members of the Purchaser's family;
 - (e) any financial institution(s) providing (or wishing to provide) mortgage financing, banking and/or other financial or related services to the Purchaser and/or members of the Purchaser's family, with respect to the Unit, including without limitation, the Vendor's construction lender(s), the quantity surveyor monitoring the Project and its costs, the Vendor's designated construction lender(s), the Tarion Warranty Corporation and/or any warranty bond provider and/or excess condominium deposit insurer, required in connection with the development and/or construction financing of the Condominium and/or the financing of the Purchaser's acquisition of the Property from the Vendor;
 - (f) any insurance companies of the Vendor providing (or wishing to provide) insurance coverage with respect to the Property (or any portion thereof) and/or the common elements of the Condominium, and any title insurance companies providing (or wishing to provide) title insurance to the Purchaser or the Purchaser's mortgage lender(s) in connection with the completion of this transaction;
 - (g) any trades/suppliers or sub-trades/suppliers, who have been retained by or on behalf of the Vendor (or who are otherwise dealing with the Vendor) to facilitate the completion and finishing of the Unit and the installation of any extras or upgrades ordered or requested by the Purchaser;
 - (h) one or more providers of cable television, telephone, telecommunication, security alarm systems, hydro-electricity, chilled water/hot water, gas and/or other similar or related services to the Property (or any portion thereof) and/or the Condominium (collectively, the "Utilities"), unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to one or more of the Utilities;
 - (i) one or more third party data processing companies which handle or process marketing campaigns on behalf of the Vendor or other companies that are associated with, related to or affiliated with the Vendor, and who may send (by e-mail or other means) promotional literature/brochures about new condominiums and/or related services to the Purchaser and/or members of the Purchaser's family, unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to said third party data processing companies;
 - (j) the Vendor's solicitors, to facilitate the interim occupancy and/or final closing of this transaction, including the closing by electronic means via the Teraview Electronic Registration System, and which may (in turn) involve the disclosure of such personal information to an internet application service provider for distribution of documentation;
 - (k) any person, where the Purchaser further consents to such disclosure or disclosures required by law.

Any questions or concerns of the Purchaser with respect to the collection, use or disclosure of his or her personal information may be delivered to the Vendor at the address set out in the Tarion Addendum, Attention: Privacy Officer.

SCHEDULE "A"
TO THE AGREEMENT OF PURCHASE AND SALE



565 SF
Scale as required

UNIT 1E
52' 00" x 24' 0" ASH
REvised: May 27, 2009

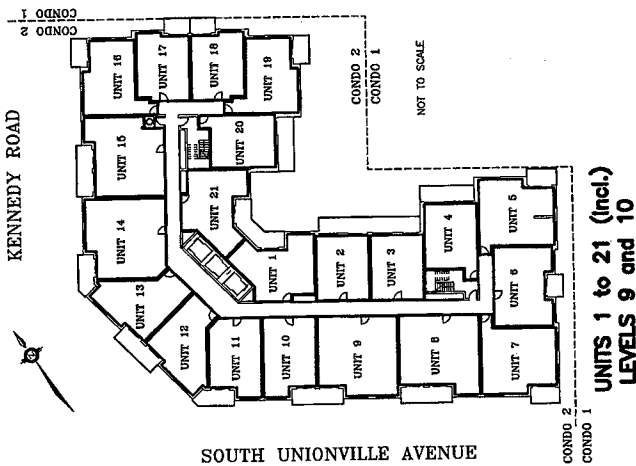
South Unionville Square
MARKHAM ONTARIO

MARKHAM ONTARIO
MAY 27, 2009

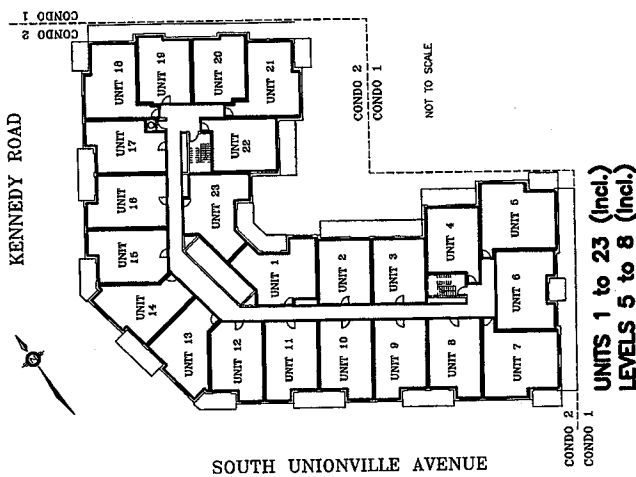
SUSQ - MARKHAM
MAY 27, 2009

Handwritten initials

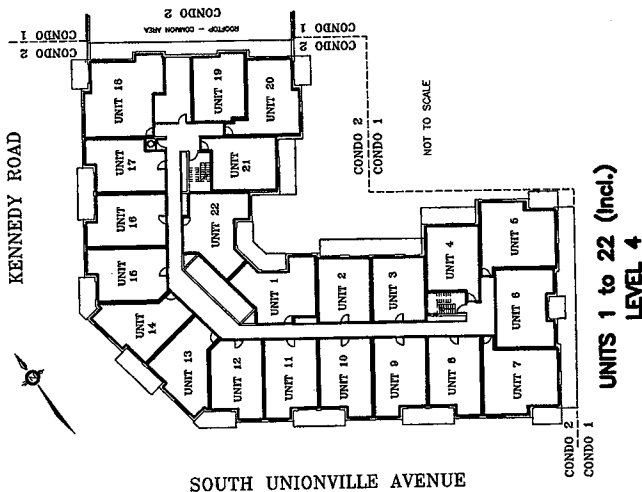
SCHEDULE "A"
TO THE AGREEMENT OF PURCHASE AND SALE



LEVEL _____ ○○
 UNIT _____ ○○

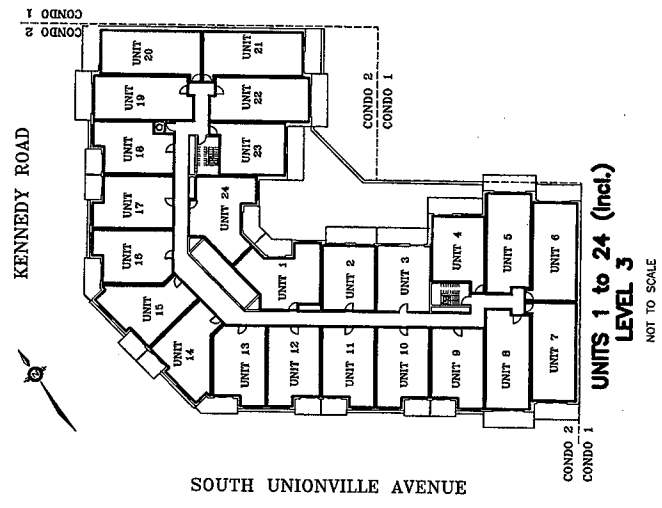


LEVEL _____ ○○
 UNIT _____ ○○



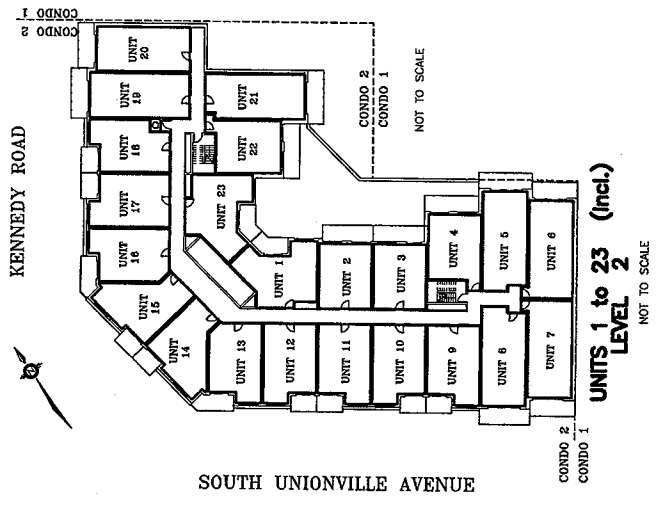
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 UNIT _____ ○○

SCHEDULE "A"
TO THE AGREEMENT OF PURCHASE AND SALE



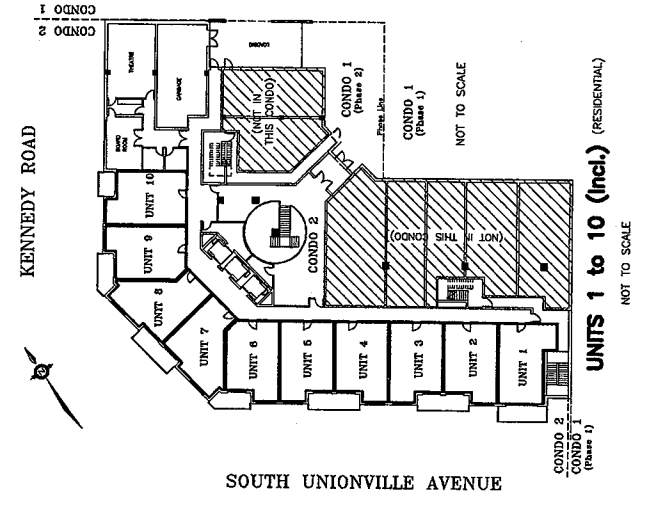
LEVEL _____

UNIT _____



LEVEL _____

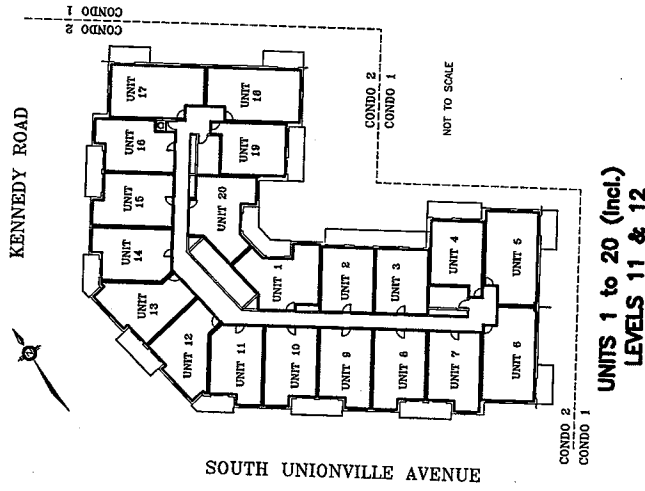
UNIT _____



LEVEL _____

UNIT _____

SCHEDULE "A"
TO THE AGREEMENT OF PURCHASE AND SALE



UNITS 1 to 20 (Incl.)
LEVELS 11 & 12

LEVEL	12	○	○
UNIT	16	○	○

W

SCHEDULE "B" TO THE AGREEMENT OF PURCHASE AND SALE

FEATURES AND FINISHES

The following are included in the Purchase Price:

Suites at *The Residences at South Unionville Square* to include the following standard features and finishes;

- Individual unitized parking space
- Individual storage locker
- Laminate hardwood in the living, dining and den areas
- 40oz carpet with foam under pad in bedroom(s)
- Ceramic tile in kitchen, laundry and bathroom(s) areas
- Sliding closet/storage areas doors
- In-suite heating and cooling unit with thermostat for individual climate control of suite
- Texture spray finished ceilings, except kitchens and bathrooms which have smooth finished ceilings
- Trim package including nominal 4" painted base, lever passage and privacy sets
- Interior walls are primed and then painted with two coats of off-white, latex paint (bathroom(s), and all woodwork and trim painted with white semi-gloss paint). Paints have low levels of volatile organic compounds (VOCs).
- 6'8" interior doors with lever hardware, complete with casings
- 7' entry door with security peeper
- Balcony and Terrace access via sliding patio door(s)
- Windows - double pane, sealed glazed units
- For non-penthouse units where ceiling bulkheads are installed, the ceiling height will be less than the nominal 9 feet. Where dropped ceilings are required, (in areas such as foyers, closets, kitchens, dining rooms, bathrooms, laundry rooms and hallways), the ceiling height will also be less than the nominal 9 feet.
- For penthouse units where ceiling bulkheads are installed, the ceiling height will be less than the nominal 10 feet. Where dropped ceilings are required, (in areas such as foyers, closets, kitchens, dining rooms, bathrooms, laundry rooms and hallways), the ceiling height will also be less than the nominal 10 feet.

Kitchens

- Stainless steel brand name Energy Star ® refrigerator and dishwasher
- Stainless steel brand name electric range
- Stainless steel brand name high velocity hood vent, vented to the exterior
- Kitchen cabinetry per suite design. Cabinets complete with handles
- Granite kitchen countertop
- Stainless steel sink
- Single lever kitchen faucet, complete with pull out spray

Bathrooms

- Cultured marble vanity with integrated basin and single lever faucet for the bathroom(s)
- Vanity mirror in clear finish
- Bath tub with single lever faucet and showerhead
- Ceramic tiles in tub area to ceiling height
- Temperature controlled shower faucet
- Low-flow shower head(s)
- Ceramic tile flooring
- Low consumption toilet(s)

Laundry

- Brand name stackable washer & dryer combination unit
- Heavy-duty wiring and plug receptacle for dryer
- Dryer vented to exterior

Safety and Security

- Concierge service at main level lobby
- Access control system located in the lobby vestibule to communicate with residents from the building lobby entrance. Guests in the lobby vestibule can be viewed on the resident's television.
- Access to enclosed parking areas will be restricted to residents of the building by way of a controlled access card or opener system
- Heat detector(s) connected to fire annunciation panel
- Hard wired smoke alarm(s)

Electrical Service and Fixtures

- Individual electrical power service, separately metered
- Builder series receptacles and switches throughout
- Light fixtures in foyer, hallway(s), kitchen, breakfast area, and den per suite design
- Capped ceiling light outlet in bedroom, dining and den areas

Communications

- Pre-wired telephone outlet in living room, bedroom(s), den and kitchen
- Pre-wired for high speed internet access
- Pre-wired for cable television

N.B. Subject to paragraph 4 of the Agreement of Purchase and Sale attached hereto, the Vendor shall have the right to substitute other products and materials for those listed in this Schedule or provided for in the plans and specifications provided that the substituted products and materials are of a quality equal to, or better than, the products and materials so listed or so provided.

1. Marble and wood are subject to natural variations in colour and grain. Ceramic tile and broadloom are subject to pattern, shade and colour variations.
2. If the Unit is at a stage of construction which will enable the Vendor to permit the Purchaser to make colour and material choices from the Vendor's standard selections, then the Purchaser shall have until the Vendor's date designated by the Vendor (of which the Purchaser shall be given at least seven (7) days prior to notice) to properly complete the Vendor's colour and material selection form. If the Purchaser fails to do so within such time period, the Vendor may irrevocably exercise all of the Purchaser's rights to colour and material selections hereunder and such selections shall be binding upon the Purchaser. No changes whatsoever shall be permitted in colours or materials so selected by the Vendor, except that the Vendor shall have the right to substitute other materials and items for those provided in this Schedule provided that such materials and items are of equal quality to or better than the materials and items set out herein.
3. The Purchaser acknowledges that there shall be no reduction in the price or credit for any standard feature listed herein which is omitted at the Purchaser's request.
4. References to model types or model numbers refer to current manufacturer's models. If these types or models shall change, the Vendor shall provide an equivalent model.
5. All dimensions, if any, are approximate.
6. All specifications and materials are subject to change without notice.
7. Pursuant to this Agreement or this Schedule or pursuant to a supplementary agreement or purchase order the Purchase may have requested the Vendor to construct an additional feature within the Unit which is in the nature of an optional extra (such as, by way of example only, a fireplace); if, as a result of building, construction or site conditions within the Unit or the Building, the Vendor is not able to construct such extra, then the Vendor may, by written notice to the Purchaser, terminate the Vendor's obligation to construct the extra. In such event, the Vendor shall refund to the Purchaser the monies, if any, paid by the Purchaser to the Vendor in respect of such extra, without interest and in all other respects this Agreement shall continue in full force and effect.

Floor and specific features will depend on the Vendor's package as selected.

M:1091090259MastersVPS - Residential Units (Feb 5 10).DOC

SCHEDULE "C" TO AGREEMENT OF PURCHASE AND SALE

TERMS OF OCCUPANCY LICENCE

- C.1 The transfer of title to the Unit shall take place on the Title Transfer Date upon which date, unless otherwise expressly provided for hereunder, the term of this Occupancy Licence shall be terminated.
- C.2 The Purchaser shall pay or have paid to the Vendor, on or before the Occupancy Date, by certified cheque drawn on a Canadian chartered bank the amount set forth in paragraph 1(b) of this Agreement without adjustment. Upon payment of such amount on the Occupancy Date, the Vendor grants to the Purchaser a licence to occupy the Unit from the Occupancy Date.
- C.3 The Purchaser shall pay to the Vendor the Occupancy Fee calculated as follows:
 - (a) the amount of interest payable in respect of the unpaid balance of the Purchase Price at the prescribed rate;
 - (b) an amount reasonably estimated by the Vendor on a monthly basis for municipal realty taxes attributable by the Vendor to the Unit; and
 - (c) the projected monthly common expense contribution for the Unit;

as an occupancy charge on the first day of each month in advance during Interim Occupancy, no part of which shall be credited as payments on account of the Purchase Price, but which payments shall be a charge for occupancy only. If the Occupancy Date is not the first day of the month, the Purchaser shall pay on the Occupancy Date a pro rata amount for the balance of the month by certified funds. The Purchaser shall deliver to the Vendor on or before the Occupancy Date a series of post-dated cheques as required by the Vendor for payment of the estimated monthly Occupancy Fee. The Occupancy Fee may be recalculated by the Vendor, from time to time based on revised estimates of the items which may be lawfully taken into account in the calculation thereof and the Purchaser shall pay to the Vendor such revised Occupancy Fee following notice from the Vendor. With respect to taxes, the Purchaser agrees that the amount estimated by the Vendor on account of municipal realty taxes attributed to the Unit shall be subject to recalculation based upon the real property tax assessment or reassessment of the Units and/or Condominium, issued by the municipality after the Title Transfer Date and the municipal tax mill rate in effect as at the date such assessment or reassessment is issued. The Occupancy Fee shall thereupon be recalculated by the Vendor and any amount owing by one party to the other shall be paid upon demand.
- C.3 The Purchaser shall be allowed to remain in occupancy of the Unit during Interim Occupancy provided the terms of this Occupancy Licence and the Agreement have been observed and performed by the Purchaser. In the event the Purchaser breaches the terms of occupancy the Vendor in its sole discretion and without limitation of any other rights or remedies provided for in this Agreement or at law may terminate this Agreement and revoke the Occupancy Licence whereupon the Purchaser shall be deemed a trespasser and shall give up vacant possession forthwith. The Vendor may take whatever steps it deems necessary to obtain vacant possession and the Purchaser shall reimburse the Vendor for all costs it may incur.
- C.4 At or prior to the time that the Purchaser takes possession of the Unit, the Purchaser shall execute and deliver to the Vendor any documents, directions, acknowledgments, assumption agreements or any and all other documents required by the Vendor pursuant to this Agreement, in the same manner as if the closing of the transaction was taking place at that time.
- C.5 The Purchaser shall pay the monthly Occupancy Fee during Interim Occupancy and the Vendor shall destroy all unused post-dated Occupancy Fee cheques on or shortly after the Title Transfer Date.
- C.6 The Purchaser agrees to maintain the Unit in a clean and sanitary condition and not to make any alterations, improvements or additions thereto without the prior written approval of the Vendor which may be unreasonably withheld. The Purchaser shall be responsible for all utility, telephone expenses, cable television service, or other charges and expenses billed directly to the occupant of the Unit by the supplier of such services and not the responsibility of the Corporation under the Condominium Documents.
- C.7 The Purchaser's occupancy of the Unit shall be governed by the provisions of the Condominium Documents and the provisions of this Agreement. The Unit may only be occupied and used in accordance with the Condominium Documents and for no other purpose.
- C.8 The Vendor covenants to proceed with all due diligence and dispatch to register the Creating Documents. If the Vendor for any reason whatsoever is unable to register the Creating Documents and therefore is unable to deliver a registrable Transfer/Deed to the Purchaser within twenty-four (24) months after the Occupancy Date, the Purchaser or Vendor shall have the right after such twenty-four (24) month period to give sixty (60) days written notice to the other, of an intention to terminate the Occupancy Licence and this Agreement. If the Vendor and Purchaser consent to termination, the Purchaser shall give up vacant possession and pay the Occupancy Fee to such date, after which this Agreement and Occupancy Licence shall be terminated and all moneys paid to the Vendor on account and redecorating Price shall be returned to the Purchaser together with interest required by the Act, subject however, to any repair and redecorating expenses of the Vendor necessary to restore the Unit to its original state of occupancy, reasonable wear and tear excepted. The Purchaser and Vendor each agree to provide a release of this Agreement in the Vendor's standard form. If the Vendor and Purchaser do not consent to termination, the provisions of subsection 79(3) of the Act may be invoked by the Vendor.
- C.9 The Vendor and the Purchaser covenant and agree, notwithstanding the taking of possession, that all terms hereunder continue to be binding upon them and that the Vendor may enforce the provisions of the Occupancy Licence separate and apart from the purchase and sale provisions of this Agreement.
- C.10 The Purchaser acknowledges that the Vendor holds a fire insurance policy on the Condominium including all aspects of a standard unit only and not on any improvements or betterments made by or on behalf of the Purchaser. It is the responsibility of the Purchaser, after the Occupancy Date to insure the improvements or betterments to the Unit and to replace and/or repair same if they are removed, injured or destroyed. The Vendor is not liable for the Purchaser's loss occasioned by fire, theft or other casualty, unless caused by the Vendor's willful conduct.
- C.11 The Purchaser agrees to indemnify the Vendor for all losses, costs and expenses incurred as a result of the Purchaser's neglect, damage or use of the Unit or the Condominium, or by reason of injury to any person or property in or upon the Unit or the Condominium resulting from the negligence of the Purchaser, members of his immediate family, servants, agents, invitees, tenants, contractors and licensees. The Purchaser agrees that should the Vendor elect to repair or redecorate all or any part of the Unit or the Condominium as a result of the Purchaser's neglect, damage or use of the Unit or Condominium, he will immediately reimburse the Vendor for the cost of doing same, the determination of need for such repairs or redecoration shall be at the discretion of the Vendor, and such costs may be added to the Purchase Price.
- C.12 In accordance with subsections 80(6)(d) and (e) of the Act, subject to strict compliance by the Purchaser with the requirements of occupancy set forth in this Agreement, the Purchaser shall not have the right to assign, sublet or in any other manner dispose of the Occupancy Licence during Interim Occupancy without the prior written consent of the Vendor which consent may be arbitrarily withheld. The Purchaser acknowledges that an administrative fee will be payable to the Vendor each time the Purchaser wishes to assign, sublet or dispose of the Occupancy Licence during Interim Occupancy.
- C.13 The provisions set forth in this Agreement, unless otherwise expressly modified by the terms of the Occupancy Licence, shall be deemed to form an integral part of the Occupancy Licence. In the event the Vendor elects to terminate the Occupancy Licence pursuant to this Agreement following substantial damage to the Unit and/or the Condominium, the Occupancy Licence shall terminate forthwith upon notice from the Vendor to the Purchaser. If the Unit and/or the Condominium can be repaired within a reasonable time following damages as determined by the Vendor (but not, in any event, to exceed one hundred and eighty (180) days) and the Unit is, during such period of repairs uninhabitable, the Vendor shall proceed to carry out the necessary repairs to the Unit and/or the Condominium with all due dispatch and the Occupancy Fee shall abate during the period when the Unit remains uninhabitable; otherwise, the Purchaser shall vacate the Unit and deliver up vacant possession to the Vendor and all moneys, to the extent provided for in paragraph 20 hereof (excluding the Occupancy Fee paid to the Vendor) shall be returned to the Purchaser. It is understood and agreed that the proceeds of all insurance policies held by the Vendor are for the benefit of the Vendor alone.

SCHEDULE "D" TO AGREEMENT OF PURCHASE AND SALE

WARNING CLAUSES

- (a) The Purchaser acknowledges that it is anticipated by the Vendor that in connection with the Vendor's application to the appropriate governmental authorities for draft plan of condominium approval certain requirements may be imposed upon the Vendor by various governmental authorities. These requirements (the "Requirements") usually relate to warning provisions to be given to Purchasers in connection with environmental or other concerns (such as warnings relating to noise levels, the proximity of the Condominium to major street, garbage storage and pickup, school transportation, and similar matters). Accordingly, the Purchaser covenants and agrees that (1) on either the Occupancy Date or the Title Transfer Date, the Purchaser shall execute any and all documents required by the Vendor acknowledging, inter alia, that the Purchaser is aware of the Requirements, and (2) if the Vendor is required to incorporate the Requirements into the final Condominium Documents the Purchaser shall accept the same, without in any way affecting this transaction.
- (b) The Purchaser is hereby advised that noise levels caused by the Condominium's mechanical equipment, the loading and unloading of tractor trailers in the adjacent commercial condominium and the daily operation of businesses within Units in the adjacent condominium corporation may occasionally cause noise and inconvenience to Unit occupants.
- (c) The Purchaser is hereby advised that the Vendor's builder's risk and/or comprehensive liability insurance (effective prior to the registration of the Condominium), and the Condominium's master insurance policy (effective from and after the registration of the Condominium) will only cover the common elements and the standard unit and will not cover any betterments or improvements made to the standard unit, nor any furnishings or personal belongings of the Purchaser or other residents of the Unit, and accordingly the Purchaser should arrange for his or her own insurance coverage with respect to same, effective from and after the Occupancy Date, all at the Purchaser's sole cost and expense.
- (d) The Purchaser acknowledges and agrees that the Vendor (and any of its authorized agents, representatives and/or contractors), as well as one or more authorized representatives of the Condominium, shall be permitted to enter the Unit after the Occupancy Date, from time to time, in order to enable the Vendor to correct outstanding deficiencies or incomplete work for which the Vendor is responsible, and to enable the Condominium to inspect the condition or state of repair of the Unit and undertake or complete any requisite repairs thereto (which the owner of the Unit has failed to do) in accordance with the Act.
- (e) Purchasers are advised that noise and/or odour levels from surrounding commercial and/or industrial businesses, may be of concern and occasionally interfere with some activities of the Unit occupants as the sound levels may exceed the Municipality's and the Ministry of Environment's noise criteria.
- (f) The Purchaser acknowledges being advised of the following notices:
- (i) Despite the best efforts of the York Region Public School Board, sufficient accommodation may not be locally available for all students anticipated from the development area and that students may be accommodated in facilities outside the area, and further, the students may later be transferred.
- (ii) Purchasers agree for the purpose of transportation to school if bussing is provided by the York Region Public School Board in accordance with the Board's policy, that students will not be bussed from home to school, but will meet the bus at designated locations in or outside the area.
- (g) The Purchaser specifically acknowledges and agrees that the Condominium will be developed in accordance with any requirements that may be imposed, from time to time, by any of the governmental authorities, and that the proximity of the Condominium to major arterial roads (namely, Kennedy Road and Highway 407), as well as to public transit services, and railways may result in noise and/or vibration transmissions to the Property, and cause noise exposure levels affecting the Property to exceed the noise criteria established by the governmental authorities, and that despite the inclusion of noise control features within the Condominium, noise levels from the aforementioned sources may continue to be of concern, occasionally interfering with some activities of the residential occupants in the Condominium. The Purchaser nevertheless agrees to complete this transaction in accordance with the terms hereof, notwithstanding the existence of such potential noise concerns, and the Purchaser further acknowledges and agrees that a noise-warning clause similar to the preceding sentence (subject to amendment by any wording or text recommended by the Vendor's noise consultants or by any of the governmental authorities) may be registered on title to the Property on the Title Transfer Date, if, in fact, same is required by any of the governmental authorities.
- (h) The Vendor reserves the right to increase or decrease the final number of, residential, parking, and/or other ancillary units intended to be created within the Condominium, as well as the right to alter the design, style, size and/or configuration of the units ultimately comprised within the Condominium which have not yet been sold by the Vendor to any unit purchaser(s), all in the Vendor's sole discretion, and the Purchaser expressly acknowledges and agrees to the foregoing, provided that the final budget for the first year following registration of the Condominium is prepared in such a manner so that any such variance in the unit count will not affect, in any material or substantial way, the percentages of common expenses and common interests allocated and attributable to the residential, parking and/or locker units sold by the Vendor to the Purchaser. Without limiting the generality of the foregoing, the Purchaser further acknowledges and agrees that one or more units situate adjacent to one another may be combined or amalgamated prior to the registration of the Condominium, in which case the common expenses and common interests attributable to such proposed former units will be incorporated into one figure or percentage in respect of the final combined unit, and the overall unit count of the Condominium will be varied and adjusted accordingly. None of the foregoing changes or revisions (if implemented) shall in any way be considered or construed as a material change to the disclosure statement prepared and delivered by the Vendor to the Purchaser in connection with this transaction.
- (i) Purchasers are advised that the Vendor's marketing material and site drawings and renderings ("Marketing Material") which they may have reviewed prior to the execution of this Agreement remains conceptual and that final building plans are subject to the final review and approval of any applicable governmental authority and the Vendor's design consultants and engineers, and accordingly such Marketing Material does not form part of this Agreement or the Vendor's obligations hereunder.
- (j) The Purchaser acknowledges and agrees that the Vendor reserves the right to add or relocate certain mechanical equipment within the Unit, including but not limited to, a heat pump system and ancillary equipment, to be located and placed along either the interior of an outside wall or an interior demising wall, in accordance with engineering and/or architectural requirements.
- (k) It is further acknowledged that one or more of the Development Agreements may require the Vendor to provide the Purchaser with certain notices, including without limitation, notices regarding such matters as land use, the maintenance of retaining walls, landscaping features and/or fencing, noise abatement features, garbage storage and pick-up, school transportation, and noise/vibration levels from adjacent roadways and/or nearby railway lines. The Purchaser agrees to be bound by the contents of any such notice(s), whether given to the Purchaser at the time that this Agreement has been entered into, or at any time thereafter up to the Title Transfer Date, and the Purchaser further covenants and agrees to execute, forthwith upon the Vendor's request, an express acknowledgment confirming the Purchaser's receipt of such notice(s) in accordance with (and in full compliance of) such provisions of the Development Agreement(s), if and when required to do so by the Vendor.
- (l) Residents of the Condominium are absolutely prohibited from altering the grading and/or drainage patterns established by the Vendor in respect of the Condominium, and subject to the provisions of the declaration, by-laws and rules of the Condominium in force from time to time, residents shall not place any fence, shrub, bush, hedge or other landscaping treatment on any portion of the common elements.

- (m) Although the Condominium Documents reflect that the Condominium will consist of an eight (8) storey building, the Vendor intends to apply to the applicable authorities to construct a building of up to twelve (12) storeys. If the Vendor is able to obtain the right to increase the height of the building on the Property, it expects to amend its plans for the Condominium to add up to four (4) new storeys to the building immediately above one of the floors currently designated as Levels 4, 5 or 6, in which case, all levels above Levels 4, 5, or 6 as the case may be, will be raised accordingly, and the budget and Schedule "D" to the Declaration will be amended to reflect the addition of such units and levels. The Purchaser agrees to accept any such changes and acknowledges that same will not constitute a material amendment to this Agreement or to the Disclosure Statement.
- (n) Whereas, despite the best efforts of the York Region Catholic Separate School Board, sufficient accommodation may not be available for all anticipated students from the area, you are hereby notified that students may be accommodated in temporary facilities and/or bussed to a school outside the neighbourhood, and further, that students may later be transferred to the neighbourhood school.
- (o) The Purchasers agree that for the purpose of transportation to school, the residents shall agree that children will meet the bus on roads presently in existence or at another designated place designated by the Board.
- (p) The Purchaser acknowledges that the snow removal for the site will not be completed by the local municipality. The Purchaser acknowledges that the property is subject to a Condominium Agreement which must address snow removal.
- (q) The Purchaser acknowledges that garbage removal from the site will be completed by a private contractor unless the local municipality and the Region at their discretion, agree to extend garbage and recycling service to the Condominium. Designated pickup dates and areas will be arranged.

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SCHEDULE "E" TO AGREEMENT OF PURCHASE AND SALE

THE UNDERSIGNED being the Purchaser of the Unit hereby acknowledges having received from the Vendor with respect to the purchase of the Unit the following document on the date noted below:

- 1. A Disclosure Statement dated May 29, 2009, a Supplementary Disclosure Statement dated January 28, 2010 and accompanying documents in accordance with Section 72 of the Act.
- 2. A copy of the Agreement of Purchase and Sale (to which this acknowledgment is attached as a Schedule) executed by the Vendor and the Purchaser.

The Purchaser hereby acknowledges that the Condominium Documents required by the Act have not been registered by the Vendor, and agrees that the Vendor may, from time to time, make any modification to the Condominium Documents in accordance with its own requirements and the requirements of any mortgagee, governmental authority, examiner of Legal Surveys, the Land Registry Office or any other competent authority having jurisdiction to permit registration thereof.

The Purchaser further acknowledges and agrees that in the event there is a material change to the Disclosure Statement as defined in subsection 74(2) of the Act, the Purchaser's only remedy shall be as set forth in subsection 74(6) of the Act, notwithstanding any rule of law or equity to the contrary.

The Purchaser further acknowledges having been advised that the Purchaser shall be entitled to rescind or terminate the Agreement to which this Schedule is attached and obtain a refund of all deposit monies paid thereunder (together with all interest accrued thereon at the rate prescribed by the Act, if applicable), provided written notice of the Purchaser's desire to so rescind or terminate the Agreement is delivered to the Vendor or the Vendor's Solicitors within 10 days after the date set out below.

DATED at Toronto, this _____ day of _____

WITNESS:

) _____
) *[Signature]*
) Purchaser
)
) _____
) Purchaser

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**APPENDIX TO ADDENDUM
TO AGREEMENT OF PURCHASE AND SALE
EARLY TERMINATION CONDITIONS**

The Early Termination Conditions referred to in paragraph 2 (c) (i) of the Tarion Addendum are as follows:

CONDITIONS PERMITTED IN PARAGRAPH 1 (a) OF SCHEDULE "A" TO THE TARIION ADDENDUM

1. Description of Early Termination Condition:

This Agreement is conditional upon the Vendor obtaining the required official plan amendment(s), zoning by-law and/or minor variance(s) necessary to permit it to construct the Building containing the number of units and the number of storeys as described in the Disclosure Statement and Supplemental Disclosure Statement delivered by the Vendor to the Purchaser and referred to in Schedule "E" to the Agreement.

The Approving Authority (as that term is defined in Schedule "A" to the Tarion Addendum) is the Town of Markham.

The date by which this Condition is to be satisfied is the 31st day of May, 2011.

CONDITIONS PERMITTED IN PARAGRAPH 1 (b) OF SCHEDULE "A" TO THE TARIION ADDENDUM

1. Description of Early Termination Condition:

This Agreement is conditional upon the Vendor entering into binding Agreements of Purchase and Sale for the sale of 90% of the Residential Units within the Condominium.

The date by which this Condition is to be satisfied is the 30th day of November, 2010.

2. Description of Early Termination Condition:

This Agreement is conditional upon the Vendor obtaining financing for the construction of the project on terms satisfactory to it in its discretion.

The date by which this Condition is to be satisfied is the 30th day of November, 2010.

3. Description of Early Termination Condition:

This Agreement is conditional upon the Vendor being satisfied, in its sole and absolute discretion, with the credit worthiness of the Purchaser. The Vendor shall have sixty (60) days from the date of acceptance of this Agreement by the Purchaser to satisfy itself with respect to such credit worthiness. The Purchaser covenants and agrees to provide all requisite information and materials including proof respecting income and source of funds or evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor, confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Title Transfer Date, as the Vendor may require to determine the Purchaser's credit worthiness.

The date by which this Condition is to be satisfied is the 60th day following the date of acceptance of this Agreement.

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Property The Residences of South Unionville Square
Markham, Ontario

Statement Of Critical Dates Delayed Occupancy Warranty

This Statement of Critical Dates forms part of the Addendum to which it is attached, which in turn forms part of the agreement of purchase and sale between the Vendor and the Purchaser relating to the Property. The Vendor must complete all blanks set out below.

NOTE TO HOME BUYERS: Please visit Tarion's website: www.tarion.com for important information about all Tarion's warranties including the Delayed Occupancy Warranty, the Pre-Delivery Inspection and other matters of interest to new home buyers. You can also obtain a copy of the Homeowner Information Package which is strongly recommended as essential reading for all home buyers. The website features a calculator which will assist you in confirming the various Critical Dates related to the occupancy of your condominium unit.

VENDOR Jada-Kennedy (Residential) Development Corporation
Full Name(s)
PURCHASER DIRCAM PROPERTIES LIMITED
Full Name(s)

1. Critical Dates

The First Tentative Occupancy Date, which is the date that the Vendor anticipates the condominium home will be completed and ready to move in, is: the 30th day of April, 2014.

The Vendor can delay Occupancy on one or more occasions by setting a subsequent Tentative Occupancy Date, in accordance with section 3 of the Addendum by giving proper written notice as set out in section 3.

By no later than 30 days after completion of the roof slab or of the roof trusses and sheathing, as the case may be, with 90 days prior written notice, the Vendor shall set either (i) a Final Tentative Occupancy Date; or (ii) a Firm Occupancy Date.

If the Vendor sets a Final Tentative Occupancy Date but cannot provide Occupancy by the Final Tentative Occupancy Date, then the Vendor shall set a Firm Occupancy Date that is no later than 120 days after the Final Tentative Occupancy Date, with proper written notice as set out in section 3 below.

If the Vendor cannot provide Occupancy by the Firm Occupancy Date, then the Purchaser is entitled to delayed occupancy compensation (see section 9 of the Addendum) and the Vendor must set a Delayed Occupancy Date which cannot be later than the Outside Occupancy Date.

The Outside Occupancy Date, which is the latest date by which the Vendor agrees to provide Occupancy, is: the 29th day of April, 2016.

2. Notice Period for an Occupancy Delay

Changing an Occupancy date requires proper written notice. The Vendor, without the Purchaser's consent, may delay occupancy one or more times in accordance with section 3 of the Addendum and no later than the Outside Occupancy Date.

Notice of a delay beyond the First Tentative Occupancy Date must be given no later than: the 30th day of January, 2014. (i.e., 90 days before the First Tentative Occupancy Date), or else the First Tentative Occupancy Date automatically becomes the Firm Occupancy Date.

3. Purchaser's Termination Period

If the condominium home is not complete by the Outside Occupancy Date, and the Vendor and the Purchaser have not otherwise agreed, then the Purchaser can terminate the transaction during a period of 30 days thereafter (the "Purchaser's Termination Period"), which period could end as late as: the 30th day of May, 2016.

If the Purchaser terminates the transaction during the Purchaser's Termination Period, then the Purchaser is entitled to delayed occupancy compensation and to a full refund of all monies paid plus interest (see sections 9, 11 and 12 of the Addendum).

Note: Anytime a Critical Date is set or changed as permitted in the Addendum, other Critical Dates may change as well. At any given time the parties must refer to the most recent agreement or written notice that sets a Critical Date, and calculate revised Critical Dates using the formulas contained in the Addendum. Critical Dates can also change if there are unavoidable delays (see section 7 of the Addendum).

Acknowledged this _____ day of _____, 20____.

VENDOR :

PURCHASER :

**Addendum to Agreement of Purchase and Sale
Delayed Occupancy Warranty**

This addendum, including the accompanying Statement of Critical Dates (the "Addendum"), forms part of the agreement of purchase and sale (the "Purchase Agreement") between the Vendor and the Purchaser relating to the Property. It contains important provisions that are part of the delayed occupancy warranty provided by the Vendor in accordance with the *Ontario New Home Warranties Plan Act* (the "Act"). If there are any differences between the provisions in the Addendum and the Purchase Agreement, then the Addendum provisions shall prevail. **PRIOR TO SIGNING THE PURCHASE AGREEMENT OR ANY AMENDMENT TO IT, THE PURCHASER SHOULD SEEK ADVICE FROM A LAWYER WITH RESPECT TO THE PURCHASE AGREEMENT OR AMENDING AGREEMENT, THE ADDENDUM AND THE DELAYED OCCUPANCY WARRANTY.**

The Vendor shall complete all blanks set out below.

VENDOR Jade-Kennedy (Residential) Development Corporation
Full Name(s)

39700 8791 Woodbine Avenue, Suite 100
Taron Registration Number Address

905-944-0907 Markham Ontario L3R 0P4
Phone City Province Postal Code

905-944-0916 jbolton@mady.com
Fax Email

PURCHASER DICCAM PROPERTIES LIMITED
Full Name(s)

42 STEINWAY BLD, UNIT 8
Address

416-798-1115 ETOBICOKE ONT M9W 6Y6
Phone City Province Postal Code

416-798-3115 anthony@diccam.com
Fax Email

PROPERTY DESCRIPTION

8323 Kennedy Road (proposed)
Municipal Address

Markham Ontario TBA
City Province Postal Code

Part of Lot 9, Concession 6 (Geographic Township of Markham), Blocks 172, 173 and 174, Plan 65M-3178:
Short Legal Description

Part of Lots 1, 2 and 3, Plan 2196, Town of Markham, Regional Municipality of York

INFORMATION REGARDING THE PROPERTY

The Vendor confirms that:

(a) The Vendor has obtained Formal Zoning Approval for the Building. Yes No
If no, the Vendor shall give written notice to the Purchaser within 10 days after the date that Formal Zoning Approval for the Building is obtained.

(b) Commencement of Construction: has occurred; or is expected to occur by the _____ day of _____, 20____.
The Vendor shall give written notice to the Purchaser within 10 days after the actual date of Commencement of Construction.

1. Definitions

- "Building" means the condominium building or buildings contemplated by the Purchase Agreement, in which the Property is located or is proposed to be located.
- "Business Day" means any day other than: Saturday; Sunday; New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day; and any special holiday proclaimed by the Governor General or the Lieutenant Governor; and where New Year's Day, Canada Day or Remembrance Day falls on a Saturday or Sunday, the following Monday is not a Business Day, and where Christmas Day falls on a Saturday or Sunday, the following Monday and Tuesday are not Business Days; and where Christmas Day falls on a Friday, the following Monday is not a Business Day.
- "Commencement of Construction" means the commencement of construction of foundation components or elements (such as footings, rafts or piles) for the Building.
- "Critical Dates" means the First Tentative Occupancy Date, any subsequent Tentative Occupancy Date, the Final Tentative Occupancy Date, the Firm Occupancy Date, the Delayed Occupancy Date, the Outside Occupancy Date and the last day of the Purchaser's Termination Period.
- "Delayed Occupancy Date" means the date, set in accordance with section 6, on which the Vendor agrees to provide Occupancy, in the event the Vendor cannot provide Occupancy on the Firm Occupancy Date.
- "Early Termination Conditions" means the types of conditions listed in Schedule A.
- "Firm Occupancy Date" means the firm date on which the Vendor agrees to provide Occupancy as set in accordance with this Addendum.
- "First Tentative Occupancy Date" means the date on which the Vendor, at the time of signing the Purchase Agreement, anticipates that the condominium home will be complete and ready for Occupancy, as set out in the Statement of Critical Dates.
- "Final Tentative Occupancy Date" means the last Tentative Occupancy Date that may be set, in accordance with paragraph 3(d).
- "Formal Zoning Approval" occurs when the zoning by-law required in order to construct the Building has been approved by all relevant governmental authorities having jurisdiction, and the period for appealing the approvals has elapsed and/or any appeals have been dismissed or the approval affirmed.
- "Occupancy" means the right to use or occupy a proposed or registered condominium home in accordance with the Purchase Agreement.
- "Outside Occupancy Date" means the latest date that the Vendor agrees, at the time of signing the Purchase Agreement, to provide Occupancy to the Purchaser, as set out in the Statement of Critical Dates.
- "Property" or "condominium home" means the condominium dwelling unit being acquired by the Purchaser from the Vendor, and its appurtenant interest in the common elements.
- "Purchaser's Termination Period" means the 30-day period during which the Purchaser may terminate the Purchase Agreement for delay, in accordance with paragraph 11(b).
- "Statement of Critical Dates" means the Statement of Critical Dates attached to or accompanying this Addendum (in form to be determined by the Tarion Registrar from time to time). The Statement of Critical Dates must be signed by both the Vendor and Purchaser.
- "Tentative Occupancy Date" has the meaning given to it in paragraph 3(c).
- "The Act" means the Ontario New Home Warranties Plan Act including regulations, as amended from time to time.
- "Unavoidable Delay" means an event which delays Occupancy which is a strike, fire, explosion, flood, act of God, civil insurrection, act of war, act of terrorism or pandemic, plus any period of delay directly caused by the event, which are beyond the reasonable control of the Vendor and are not caused or contributed to by the fault of the Vendor.
- "Unavoidable Delay Period" means the number of days between the Purchaser's receipt of written notice of the commencement of the Unavoidable Delay, as required by paragraph 7(b), and the date on which the Unavoidable Delay concludes.

2. Early Termination Conditions

- (a) The Vendor and Purchaser may include conditions in the Purchase Agreement that, if not satisfied, give rise to early termination of the Purchase Agreement, but only in the limited way described in this section.
 - (b) The Vendor is not permitted to include any conditions in the Purchase Agreement other than: the types of Early Termination Conditions listed in Schedule A; and/or the conditions referred to in paragraphs 2(h), (i) and (j) below. Any other condition included in a Purchase Agreement for the benefit of the Vendor that is not expressly permitted under Schedule A or paragraphs 2(h) or (i) is deemed null and void and is not enforceable by the Vendor, but does not affect the validity of the balance of the Purchase Agreement.
 - (c) The Vendor confirms that:
 - (i) This Purchase Agreement is subject to Early Termination Conditions that, if not satisfied (or waived, if applicable), will result in the automatic termination of the Purchase Agreement. ☐ Yes ☐ No
 - (ii) If yes, the Early Termination Conditions are as follows. The obligation of each of the Purchaser and Vendor to complete this purchase and sale transaction is subject to satisfaction (or waiver, if applicable) of the following conditions:
- Condition #1 (if applicable)
 Description of the Early Termination Condition: see appendix
- The Approving Authority (as that term is defined in Schedule A) is: see appendix
- The date by which Condition #1 is to be satisfied is the _____ day of _____, 20____.
- Condition #2 (if applicable)
 Description of the Early Termination Condition: not applicable
- The Approving Authority (as that term is defined in Schedule A) is: not applicable
- The date by which Condition #2 is to be satisfied is the _____ day of _____, 20____.
- The date for satisfaction of any Early Termination Condition cannot be later than 90 days before the First Tentative Occupancy Date, and will be deemed to be 90 days before the First Tentative Occupancy Date if no date is specified or if the date specified is later than 90 days before the First Tentative Occupancy Date. This time limitation does not apply to the condition in subparagraph 1(b)(iv) of Schedule A which must be satisfied or waived by the Vendor within 60 days following signing of the Purchase Agreement.
- Note: The parties must add additional pages as an appendix to this Addendum if there are additional Early Termination Conditions.
- (d) There are no Early Termination Conditions applicable to this Purchase Agreement other than those identified in subparagraph 2(c)(ii) and any appendix listing additional Early Termination Conditions.
 - (e) The Vendor agrees to take all commercially reasonable steps within its power to satisfy the Early Termination Conditions listed in subparagraph 2(c)(ii).
 - (f) For conditions under paragraph 1(a) of Schedule A the following applies:
 - (i) conditions in paragraph 1(a) of Schedule A may not be waived by either party;