



**Fifth Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Stateview Homes (Minu Towns) Inc.,
Stateview Homes (Nao Towns) Inc.,
Stateview Homes (Nao Towns II) Inc.,
Stateview Homes (On the Mark) Inc.,
TLSFD Taurasi Holdings Corp.,
Stateview Homes (High Crown Estates) Inc.,
Highview Building Corp Inc.,
Stateview Homes (BEA Towns) Inc., and
Stateview Homes (Elm&Co) Inc.**

October 2, 2023

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

B E T W E E N:

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

APPLICANT

- AND -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)
INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS
CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

RESPONDENTS

DORR CAPITAL CORPORATION

APPLICANT

- AND -

STATEVIEW HOMES (BEA TOWNS) INC. AND HIGHVIEW BUILDING CORP INC.

RESPONDENTS

**ATRIUM MORTGAGE INVESTMENT CORPORATION AND DORR
CAPITAL CORPORATION**

APPLICANT

- AND -

**STATEVIEW HOMES (NAO TOWNS II) INC., DINO TAURASI AND
CARLO TAURASI**

RESPONDENTS

MERIDIAN CREDIT UNION

APPLICANT

- AND -

STATEVIEW HOMES (ELM&CO) INC.

RESPONDENTS

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**FIFTH REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER**

OCTOBER 2, 2023

1.0 Introduction

1. The Ontario Superior Court of Justice (the “Court”) issued separate receivership orders on May 2, 2023 (the “May 2nd Receivership Orders”) appointing KSV Restructuring Inc. (“KSV”) as the receiver and manager (the “Receiver¹”) of the property, assets and undertaking owned by the following entities in the Stateview Group of Companies (the “Stateview Group”), including their real property:
 - a) Stateview Homes (Nao Towns II) Inc. (“Nao Phase II”), pursuant to an action commenced by Atrium Mortgage Corporation (“Atrium”) and Dorr Capital Corporation (“Dorr”);
 - b) Stateview Homes (BEA Towns) Inc. (“BEA”) pursuant to an application commenced by Dorr;
 - c) Highview Building Corp Inc. (“Highview”), pursuant to an application commenced by Dorr; and
 - d) Stateview Homes (Nao Towns) Inc. (“Nao Phase I”), Stateview Homes (Minu Towns) Inc. (“Minu”), Stateview Homes (High Crown Estates) Inc. (“High Crown”), Stateview Homes (On the Mark) Inc. (“On the Mark”) and TLSFD Taurasi Holdings Corp. (“Taurasi Holdings”), pursuant to an application commenced by KingSett Mortgage Corporation (“KingSett”) and Dorr.

¹ Includes KSV’s role as receiver and manager of Elm, as defined below.

2. On May 18, 2023, the Court issued an order (the “May 18th Receivership Order” and together with the May 2nd Receivership Orders, the “Receivership Orders”) appointing KSV as Receiver of the property, assets and undertaking of Stateview Homes (Elm&Co) Inc. (“Elm”), including its real property, pursuant to an application by Meridian Credit Union Limited (“Meridian” and together with Atrium, Dorr, and KingSett, the “Mortgagees”).
3. Herein the entities subject to the Receivership Orders are collectively referred to as the “Receivership Companies”, the property owned by each of the Receivership Companies is referred to as the “Property”, the real property owned by each of the Receivership Companies is referred to as a “Real Property”, and collectively, all of the real properties are referred to as the “Real Properties”.

1.1 Purposes of this Report

1. The purposes of this fifth report to the Court (the “Report”) are to:
 - a) provide the Court with background information to, and a summary of, the claim being brought by Tarion Warranty Corporation (“Tarion”) on its motion scheduled for November 2, 2023 for an order establishing a remedial trust in favour of Tarion (the “Tarion Motion”);
 - b) recommend that this Court dismiss the Tarion Motion; and
 - c) provide an update on the preliminary results of the Sale Process and OTM Sale Process (each as defined and described below) for creditors of the Receivership Companies.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) discussions with the Stateview Group’s management (“Management”); (ii) the Receivership Companies’ unaudited financial information; (iii) information provided by the Mortgagees; (iv) discussions with various stakeholders in these proceedings (including their legal representatives); (v) discussions with BDO Canada Limited, in its capacity as the court-appointed information officer in connection with the TD Settlement Agreement (as defined below); (vi) the Stateview Group’s external legal counsel, Norton Rose Fulbright Canada LLP (“Norton Rose”); and (vii) the application materials (collectively, the “Information”).
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.

3. Additional background information regarding the Receivership Companies and the reasons for the appointment of the Receiver are provided in the respective application materials of the Mortgagees. Copies of the Court materials filed to-date in these proceedings are available on the [Receiver's website](#) (the "Website"). The Website also includes information for homebuyers who purchased homes from the Receivership Companies, including an explanation of the deposit insurance coverage provided by Tarion.

2.0 Background

2.1 The Stateview Group

1. The Stateview Group is a real estate developer with its head office in Vaughan, Ontario. The Stateview Group has been in business since 2010 and primarily develops low-rise residential projects in Southern Ontario.
2. Several Stateview Group companies are not subject to receivership proceedings (the "Non-Receivership Companies"), including Stateview Construction Ltd. ("SV Ltd.") which provides administrative and management services to companies in the Stateview Group. The Receiver understands that all Stateview Group employees are employed by SV Ltd.
3. The principals of the Stateview Group are Carlo Taurasi, the Chief Executive Officer and Dino Taurasi, the President (together, the "Taurasis").

2.2 The Receivership Companies

1. Each of the Receivership Companies is a single-purpose real estate development company that owns a specific project (each a "Project", and collectively the "Projects"), except for Taurasi Holdings, which owns four industrial properties. The Projects are located in Southern Ontario.
2. Taurasi Holdings owns four industrial properties totaling 116,065 square feet of leasable area which is currently 100% occupied (the "Industrial Properties"). Each of the Industrial Properties is located in Vaughan, Ontario.
3. The Receiver has carried out a sale and marketing process for all of the Real Properties (other than On the Mark) (the "Sale Process") pursuant to an Order dated June 5, 2023 (the "Sale Process Order") and for On the Mark (the "OTM Sale Process"), pursuant to an Order dated July 19, 2023, (the "OTM Sale Process").
4. As described in more detail in Section 4 below, the Sale Process is continuing for each of the Real Properties other than On the Mark (for which a transaction was approved by the Court on September 14, 2023) and Highview (for which a transaction was approved by the Court on September 29, 2023).

2.3 The Deposits

1. Each of the Receivership Companies, except for Taurasi Holdings, conducted their respective Project as a pre-construction residential developmental project wherein purchasers (the “Pre-Sale Purchasers”) entered into pre-sale purchase agreements (the “Pre-Sale Purchase Agreements”). The Pre-Sale Purchase Agreements were substantially similar for all of the Projects. A copy of a sample Pre-Sale Purchase Agreement is attached as Appendix “A”.
2. As a general condition to entering into a Pre-Sale Purchase Agreement, the Pre-Sale Purchaser was required to pay one or more deposits (each a “Deposit” and collectively, the “Deposits”) to the Receivership Company developing the applicable Project.
3. In total, the Receivership Companies received deposits from approximately 765 Pre-Sale Purchasers and which totalled approximately \$76,920,000.
4. The Receivership Companies’ records reflect that the Deposits were received by the Receivership Companies as follows:

Project²	Number of Pre-Sale Purchasers	Deposit Value (‘000s) (\$)
Minu Towns	147	19,208
Nao Towns	96	7,680
Nao Towns II	76	7,617
Nashville (Highview)	4	Nil
BEA Towns	218	17,440
Elm	145	16,076
High Crown	47	5,016
On the Mark	32	3,883
	765	76,920

5. Based on the Receiver’s review of the Receivership Companies’ bank accounts and confirmed by certain of the Management, the Receiver understands that the Deposits were not held in segregated bank accounts or trust accounts.
6. The Receiver was advised by Management that, in addition to the funds from other sources, the Deposits were used to fund the general operations of the Receivership Companies and the development of the Projects. The Receiver further understands that independent of the Deposits, the Receivership Companies did not have sufficient funding to cover operating costs and Project development costs. The use of the funds has not been confirmed by the Receiver.
7. The Receiver’s review of the bank accounts of the Receivership Companies reflects that none of them had a material bank balance as of the date of their respective Receivership Order. This is summarized in the table below.

² The numbers in this table have been updated from the number as initially set out in the First Report of the Receiver dated May 30, 2023 based on additional information made available to the Receiver.

Project	Account Balance on the Date of Receivership Order (\$)
Minu Towns	14,429.17
Nao Towns & Nao Towns II	74,622.75
Nashville (Highview)	0
BEA Towns	0
Elm	303,029.33
High Crown	21,343.22
On the Mark	54,569.08
	467,993.55

8. The Receiver reported in its First Report that it had taken steps toward securing the data and information related to the Receivership Companies. The Receiver is currently considering the extent of any further investigation and has been contacted by various third parties in this regard. The cost of and funding for any such investigation is also a consideration.

2.3.1 The Pre-Sale Purchase Agreements

1. The Pre-Sale Purchase Agreements did not require that the Deposits be held in an express and/or segregated escrow or trust account. The Receiver understands that this is consistent with the Receivership Companies' obligations under the *Ontario New Home Warranties Plan Act* (the "ONHWPA") in respect of freehold residential homes and is not out of the ordinary course of business.
2. The Pre-Sale Purchase Agreements also did not grant Pre-Sale Purchasers security over the applicable Receivership Companies' Real Property or any other real or personal property owned by the Receivership Companies, nor did the Receivership Companies provide Pre-Sale Purchasers security outside of the Pre-Sale Purchase Agreements. Accordingly, any claim of a Pre-Sale Purchaser in relation to their Deposit is an unsecured claim.
3. Finally, the Pre-Sale Purchase Agreements generally contain an acknowledgement from the Pre-Sale Purchaser that construction financing or other mortgages arranged by the applicable Receivership Company and secured by the Property has priority over the applicable Pre-Sale Purchasers interest in the applicable Property. As set out at section 45(a) in the sample Pre-Sale Purchase Agreement attached hereto as Appendix "A", and in substantially similar language in other Pre-Sale Purchase Agreements:

The Purchaser hereby acknowledges the full priority of any construction financing or other mortgages arranged by the Vendor and secured by the Property over his interest as Purchaser for the full amount of the said mortgage or construction financing, notwithstanding any law or statute to the contrary...

3.0 Known Secured Creditors

- The table below provides a summary of the mortgages registered on title to the Real Properties and the approximate amounts outstanding under each mortgage as of the dates of the Receivership Orders, which amounts continue to accrue interest and fees.

<i>(Unaudited; \$000s)</i>	
Secured Creditor³	Amount Owing
<u>Minu</u>	
KingSett	60,530
Dorr	7,102
	<hr/> 67,632
<u>Nao Phase I</u>	
KingSett	38,905
<u>High Crown</u>	
Dorr	24,402
KingSett	4,113
	<hr/> 28,515
<u>On the Mark</u>	
KingSett	18,471
<u>Taurasi Holdings</u>	
KingSett	30,388
<u>Nao Phase II</u>	
Atrium/Dorr	24,449
Bergo Investment Ltd., MCO Management Inc. ("MCO") and Tony Karamitsos (collectively, the "Bergo Parties")	20,850
	<hr/> 45,299
<u>Highview</u>	
Dorr	9,193
MCO	5,300
2515792 Ontario Inc	1,945
	<hr/> 16,438
<u>BEA</u>	
Dorr	38,122
Bergo Parties	20,850
	<hr/> 58,972
<u>Elm</u>	
Meridian	17,975
Dorr	4,000
797377 Ontario Inc.	2,500
Bergo Parties	20,850
	<hr/> 45,325

³ The creditors listed are the beneficial holders of the mortgages. The table excludes the TD Bank mortgage. Interest and costs continue to accrue on each mortgage. All amounts are subject to confirmation.

2. Subject to further review, the Receiver understands that certain of the mortgages in the table are cross-collateralized, as follows:
 - KingSett’s second blanket mortgage loan on Nao Phase I and Minu (balance of \$30.65 million) was cross collateralized by a mortgage on the On the Mark Real Property such that any excess proceeds from the On the Mark Real Property could have been used to pay the shortfall of the Nao Phase I and Minu mortgages, if any;
 - KingSett’s loan on High Crown is cross collateralized by mortgages on Nao Phase I and Minu such that up to \$6.25 million of excess proceeds from Nao Phase I and Minu can be used to pay the shortfall on High Crown, if any; and
 - a blanket mortgage by the Bergo Parties of \$20.85 million is registered on title to Nao Phase II, BEA and Elm.
3. In addition to the above, several parties who provided services to the Projects have registered construction liens on certain of the Real Properties, including construction trades, union-related labour liens and real estate consultants. The Receiver is continuing to review and assess the various liens, including seeking further information from lienholders, where necessary.
4. Certain of the Receivership Companies also are in arrears in respect of municipal taxes, which the Receiver understands constitutes a priority secured claim on the Real Properties. In addition, the Receiver received a letter from the Canada Revenue Agency (“CRA”) dated May 16, 2023 indicating that Taurasi Holdings owes CRA \$250,271.75 in respect of unpaid harmonized sales tax (“HST”), approximately \$130,624.22 of which CRA asserts is a trust claim.
5. No claims process has been conducted in respect of any of the Receivership Companies in order to identify any further secured creditors and unsecured creditors. Each of the Receivership Companies likely has unsecured creditors (in addition to the Pre-Sale Purchasers).

4.0 Sale Process

1. As noted above, the Sale Process is continuing for all of the Real Properties except for On the Mark and Highview.
2. In respect of On the Mark, on September 14, 2023, the Court issued an Approval and Vesting Order (the “OTM AVO”), among other things, approving the transaction contemplated by the APA (the “OTM Transaction”) for the sale of the On the Mark Project and a Distribution Order (the “Distribution Order”), authorizing the Receiver to make certain distributions and reserves from the proceeds of the OTM Transaction and granting additional related relief. Copies of the OTM AVO (without schedules) and the Distribution Order are attached as Appendix “B” and Appendix “C”, respectively. The OTM Transaction closed on September 22, 2023.

3. As the principal mortgagee suffered a deficiency on the OTM Transaction, the Receiver does not anticipate there being any recovery for any of the general creditors of On the Mark.
4. In respect of Highview, on September 29, 2023, the Court issued an Approval and Vesting Order (the “Highview AVO”), among other things, approving a transaction (the “Highview Transaction”) for the sale of Highview’s real property to 2133904 Ontario Inc. (the “Highview Purchaser”) and an Ancillary Relief Order (the “Ancillary Relief Order”), authorizing the Receiver to make certain distributions and reserves from the proceeds of the Highview Transaction to facilitate the ongoing administration of the receivership and granting additional related relief. The purchase price in the Highview Transaction has been ordered sealed pending the closing of the Highview Transaction. Copies of the Highview AVO (without schedules) and the Ancillary Relief Order are attached as Appendix “D” and Appendix “E”, respectively.
5. In respect of the other Receivership Companies, the Receiver has been actively carrying out the Sale Process in accordance with the Sale Process Order and the procedure set out in the First Report.
6. The Receiver is not currently in a position to disclose any specifics as to its negotiations or any preliminary results, including any amount of anticipated recovery for any of the other Receivership Companies. However, based on the offers received to date and preliminary discussions with prospective bidders or interested parties, the Receiver currently anticipates that in respect of each of the Real Properties, there will not be sufficient proceeds to satisfy the amount of all of the mortgages registered on title to that Real Property.

5.0 Tarion’s Motion

5.1 Background

1. Tarion is a private not-for-profit corporation established in 1976 to protect the rights of new home purchaser and owners in Ontario and is designated by the Province of Ontario to administer the ONHWPA and the regulations thereunder. Pursuant to its obligations under the ONHWPA, Tarion is obligated to provide a warranty to home purchasers of new freehold homes up to \$100,000 where the home purchaser is entitled to a refund of its deposit and is unable to obtain recourse from the vendor within the prescribed time periods. Where Tarion has provided a warranty to a home purchaser, it is entitled to subrogate the claim of the home purchaser against the vendor for the reimbursement amount.
2. The Receiver understands that the Pre-Sale Purchasers have submitted or intend to submit claims to Tarion for their Deposits and Tarion now intends to pursue a senior ranking subrogated claim against the Receivership Companies for reimbursement of such amounts.

5.2 Tarion's Claim

1. On July 14, 2023, the Receiver's counsel received notice from Tarion's counsel, Torys LLP, that Tarion intended to commence a "stated case" against the Receivership Companies in respect of the Deposits (the "Tarion Claim").
2. On September 1, 2023, the Receiver's counsel received the Motion Record of Tarion (the "Tarion Motion Record"), commencing a motion by Tarion as the subrogated claim of the Pre-Sale Purchasers (the "Tarion Motion") seeking a declaration that the Pre-Sale Purchasers and, in the alternative, Tarion, are the beneficial owners of the Deposits by way of statutory, express, implied, and/or constructive trust and, as security therefor, are entitled to a court-ordered charge against the assets, property and undertakings of the Receivership Companies. The Tarion Motion alleges that the Receivership Companies used the Deposits improperly and/or fraudulently for illegitimate purposes not related to the funding of the Projects and asserts that the Deposits were held by the Receivership Companies in trust. The Tarion Motion does not provide further details as to the source for the trust obligations they allege were owed by the Receivership Companies to the Pre-Sale Purchasers or Tarion.
3. On September 14, 2023, Tarion filed an additional supplementary affidavit to the Tarion Motion Record.
4. The Receiver and its counsel have worked with Tarion and its counsel to ensure the orderly timetabling of the Tarion Motion which is scheduled for November 2, 2023.
5. Of particular concern to the Receiver and the Mortgagees was the possibility that any undue delay in the prosecution and hearing of the Tarion Motion would have the effect of precluding the distribution of receivership proceeds until it was determined and resulted in incurring millions of dollars in legal and accounting fees.
6. Accordingly, the Receiver and its counsel attempted to address the scope of the Tarion Motion in a fashion that might, depending upon the outcome, permit it to be disposed of on a threshold basis, while balancing the interests of Tarion and the other stakeholders in the receiverships.
7. In particular, the Receiver advised Tarion that it would object to the Tarion Motion on the basis that, in the circumstances of the current proceedings, Tarion is not at law and/or in principle entitled to the remedies sought on the Tarion Motion.
8. The Receiver further advised Tarion that it would not object to the motion on the basis of prematurity due to either of:
 - a. the absence of fully completed repayments and subrogation steps among Tarion and the Pre-Sale Purchasers; or
 - b. the absence of any direct evidence of fraud or removal of specific Deposits through fraud or other actionable conduct.

9. However, the Receiver also advised that, should Tarion obtain relief that gives rise to the possibility of the remedies being sought on the Tarion Motion, the Receiver's consequential position was that:
 - a. no final determination of liability in favour of Tarion can be made without proof of the exact fraud or other actionable conduct relied upon, which evidence is not before the Court on the Tarion Motion;
 - b. no final determination of liability in favour of Tarion can be made without proving the elements of tracing to the Deposits, to the extent applicable, which evidence is not before the Court on the Tarion Motion; and
 - c. no quantification of the amount of the estate assets subject to the remedies sought can be made without proper proof of same, which evidence is not before the Court on the Tarion Motion.

A copy of the email from counsel to the Receiver to counsel for Tarion in this regard is attached as Appendix "F".

5.3 Receiver's Recommendation

1. The issues on the Tarion Motion, at least at the threshold stage, are ones of legal principle. Accordingly, the Receiver's detailed position will be more fully set out in its factum on the motion.
2. In brief, however, the Receiver recommends that the Court dismiss the Tarion Claim for the following reasons:
 - a. Tarion has not demonstrated there is any authority for establishing a statutory, express, implied, and/or constructive trust;
 - b. there was no contractual, statutory or other obligation for the Receivership Companies to hold the Deposits in trust; rather, the Deposits were intended to be used to fund the operations of the Receivership Companies and the development of the Projects;
 - c. an order granting a constructive trust would amount to a reordering of priorities amongst creditors (including mortgagees with charges against the Real Properties), contrary to well established legal principles, and can reasonably be expected to have a significant chilling effect on the ability of companies to receive funding for pre-construction residential development projects or other similar projects; and
 - d. in addition to the Deposits being entirely depleted, the Deposits were commingled with the funds received from the Receivership Companies secured creditors and are not capable of being identified or traced.

6.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court deny the relief sought in the Tarion Motion.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
STATEVIEW HOMES (MINU TOWNS) INC.,
STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC.,
TLSFD TAURASI HOLDINGS CORP., STATEVIEW HOMES (HIGH CROWN ESTATES) INC.,
STATEVIEW HOMES (BEA TOWNS) INC., HIGHVIEW BUILDING CORP INC.,
STATEVIEW HOMES (NAO TOWNS II) INC. AND STATEVIEW HOMES (ELM&CO) INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”

FIRM OFFER

POTL/TOWNHOUSE No. _____

STATEVIEW HOMES (BEA TOWNS) INC.**AGREEMENT OF PURCHASE AND SALE
COMMON ELEMENT CONDOMINIUM**

1. _____

(singularly or collectively referred to as the "Purchaser"), hereby agree(s) with STATEVIEW HOMES (BEA TOWNS) INC. (the "Vendor") to purchase the townhouse dwelling known as NO. _____ (the "Dwelling") to be constructed on a freehold parcel of land (the "POTL" and with the Dwelling and the POTL collectively referred to as the "Property"), all as shown on Schedule "C" annexed hereto, with the POTL to be tied or attached to a common elements roadway condominium (the "Condominium"), to be developed and constructed on the Lands (as such term is defined), for the purchase price of

DOLLARS

(\$ **759,990.00 + \$20,000.00 PREMIUM**) in Canadian funds (the "Purchase Price") inclusive of HST (as hereinafter defined) but net of all applicable Rebates (as hereinafter defined) to be assigned and/or transferred and/ credited and/or paid to the Vendor, which Purchase Price shall be payable to the Vendor as follows:

- a) The Purchaser has paid the sum of \$ **20,000.00** DOLLARS as a deposit.
 - b) The Purchaser shall pay the further sum of **Ten Thousand (\$10,000.00) DOLLARS** as an additional deposit, by way of a **post-dated cheque** made payable to **THE VENDOR** on the 30th day after the date of execution of this Agreement by the Purchaser;
 - c) The Purchaser shall pay the further sum of **Ten Thousand (\$10,000.00) DOLLARS** as an additional deposit, by way of a **post-dated cheque** made payable to **THE VENDOR**, on the 60th day after the date of execution of this Agreement by the Purchaser;
 - d) The Purchaser shall pay the further sum of **Ten Thousand (\$10,000.00) DOLLARS** as an additional deposit, by way of a **post-dated cheque** made payable to **THE VENDOR**, on the 90th day after the date of execution of this Agreement by the Purchaser;
 - e) The Purchaser shall pay the further sum of **Ten Thousand (\$10,000.00) DOLLARS** as an additional deposit, by way of a **post-dated cheque** made payable to **THE VENDOR**, on the 120th day after the date of execution of this Agreement by the Purchaser;
 - f) The Purchaser shall pay the further sum of **Ten Thousand (\$10,000.00) DOLLARS** as an additional deposit, by way of a **post-dated cheque** made payable to **THE VENDOR**, on the 180th day after the date of execution of this Agreement by the Purchaser;
 - g) The Purchaser shall pay the further sum of **Ten Thousand (\$10,000.00) DOLLARS** as an additional deposit, by way of a **post-dated cheque** made payable to **THE VENDOR**, on the 210th day after the date of execution of this Agreement by the Purchaser; and
 - h) The Purchaser shall **pay the balance of the Purchase Price**, by certified cheque and/or bank draft payable to the Vendor or to whomsoever it may further direct, on the Closing Date, with all adjustments as hereinafter provided.
2. The TARION Warranty Corporation's "Statement of Critical Dates", "Addendum to Agreement of Purchase and Sale", including the Appendix of Additional Early Termination Conditions", if any Schedule B, the adjustments and the Tarion Warranty Corporation's Warranty Information Sheet (collectively the "Addendum") are attached to and form part of this agreement. The transaction provided for in this agreement shall be completed on the applicable First Tentative Occupancy Date, Second Tentative Occupancy Date, Firm Occupancy Date or Outside Occupancy Date ("**Closing**", "**Closing Date**", "**Date of Closing**", "**closing**", "**closing date**" or "**date of closing**"), as the case may be determined in accordance with the provisions of the Addendum, notwithstanding any other term of this Agreement to the contrary. The Addendum as well as **Schedules "A" (Feature Sheet), "D: (Blacklines), "E" (Occupancy Licence), "S" (Site Plan)", "V" (Voucher/Bonus Packages (if applicable))** together with any other schedule(s) hereto shall form part of this Purchase Agreement (collectively, the "**Purchase Agreement**" or "**Agreement**"). The Purchaser acknowledges that he/she has read this Agreement, **including the Addendum**, and agrees to be bound by the terms hereof.
3. All capitalized terms shall have the meanings given to them in this agreement. The Purchaser acknowledges and agrees that a reference plan describing the POTL shall be registered prior to closing and that the description of the Property set out on the transfer/deed of lands given to the Purchaser on closing shall be described in accordance with such reference plan, and the Purchaser agrees to accept such revised description in lieu of the one set out above. This agreement constitutes the entire agreement as between the parties.

CLOSING

4. Closing shall be the date on which the Vendor or the Owner (as hereinafter defined) shall transfer the title to the Property to the Purchaser, as amended pursuant to the terms and provisions this Agreement. Provided that in the event that the transaction is closed utilizing the Teraview Electronic Registration System ("**TERS**"), the term "delivery" or "delivered" with respect to a deed/transfer shall mean that an electronic deed/transfer of lands is capable of being tendered by the Vendor

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or Owner for registration, with all matters relating to the registration required to have been completed by the Vendor or its solicitors having been so completed.

REPRESENTATIONS OR WARRANTIES AND ENTIRE AGREEMENT

- 5. This offer, when accepted, shall constitute a binding agreement of purchase and sale subject to any statutory rights of rescission to the contrary. Time shall in all respects be of the essence of this Agreement and this Agreement shall not be amended except in writing. The Purchaser releases and absolves the Vendor of any obligation to perform or comply with any promises or representations as may have been made by any sales representative or in any sales brochure, unless the same has been reduced to writing herein. It is agreed and understood that there is no oral or written representation, warranty, collateral term or condition affecting this Agreement or the Property, or for which the Vendor or the Owner (or any agent or sales representative) can be held responsible or liable in any way, whether contained, portrayed, illustrated or represented by (or in) any plan, drawing, brochure, display, model or any other sales/marketing material(s), or alleged against the agent or any sales representative, other than as specifically set out in this Agreement in writing.

JULY 7, 2021

IN WITNESS WHEREOF I/we have hereunto set my/our hand(s) this _____ day of _____, 2021.

WITNESS: _____ PURCHASER: _____ (Date of Birth)

WITNESS: _____ PURCHASER: _____ (Date of Birth)

The undersigned hereby accepts this agreement of purchase and sale and agrees with the Purchaser to comply with its covenants therein.

7/8/2021

ACCEPTED THIS _____ day of _____, 2021.

STATEVIEW HOMES (BEA TOWNS) INC.

DocuSigned by:

 Per: _____
 A.S. 5AC00BCAA1714A6
 I have authority to bind the Corporation



BEA

Barrie · Essa · Ardagh

FULL DEPOSIT

BONUS PACKAGE

\$5,000 Showroom Credit*
(Cannot be put towards the purchase price)

StateViewHomes.com
Townhomes coming to Barrie!!



STATE VIEW
HOMES
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GOING FIRM

BONUS PACKAGE

- 1) Appliance Voucher
(voucher and specs are included with offer)
- 2) BBQ Package
(voucher and specs included with offer)

This is only valid if you decide to go firm at time of signing.

StateViewHomes.com
Townhomes coming to Barrie!!

 ^{DS}
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This Certificate entitles you to a Propane BBQ with BBQ Cover
from
Dickson Barbeque Centre
courtesy of
Stateview Homes



This offer applies only to BEA TOWNS, Barrie and only to homeowner(s) that receive the BBQ package as specified on their Purchase Agreement. BBQ pictures are for artistic representation only. Model and Brand may change without notice.

SITE: STATEVIEW HOMES-BEA TOWNS-BARRIE

HOMEOWNER(S) NAME(S): [REDACTED]

HOMEOWNER(S) CONTACT: PH# [REDACTED] EMAIL: [REDACTED]

LOT# [REDACTED] CLOSING DATE: SEPT 18, 2024

STATEVIEW HOMES APPROVAL:

DATE: _____ SIGNING OFFICER: _____

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CONGRATULATIONS!

HERE'S YOUR BAD BOY APPLIANCE VOUCHER!

ISSUED TO: _____

ISSUED BY: _____

DATE: JULY 7 2021

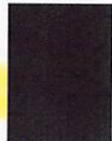


This certificate entitles you to the appliances below supplied by Bad Boy Furniture courtesy of Stateview Homes

SAMSUNG
30" top mount REFRIGERATOR
in stainless steel
RT18M6114SI

SAMSUNG
30" ELECTRIC RANGE
in stainless steel
NE63A6111SS

SAMSUNG
24" built in DISHWASHER in stainless steel
DW80R2031US



Don't Forget to ask about **Bad Boy's** special offers on home furnishings and mattresses!

DS
ER
M4
DS



TERMS & CONDITIONS

1. Schedule an appointment with Zaheda Sheriff. Phone #(416) 557-0503. email zaheda@nooboy.com (by appointment only)
2. This certificate is voided if Homeowner agreement is voided or if the agreement is amended or revised to delete any or all of the appliances.
3. It is the Homeowners responsibility to arrange appliance installation. All appliance packages include free delivery of products and removal of packaging materials.
4. Installation is not included (excluding dishwasher) but can be provided through a third party during the upgrade options. Stateview Homes will not be responsible for any issues or damages from appliance installation.
5. In the event the Homeowner wishes to upgrade the standard appliance package, a credit based on the wholesale value will be applied to the price of the upgraded products.
6. Homeowners may upgrade appliances directly with Bad Boy. Any upgrades are to be paid directly to Bad Boy and Homeowners are to inform Stateview Homes of any changes to the dimensions of the appliances. Stateview Homes will not be responsible for appliances not fitting due to late upgrades. Cabinetry, gas lines and rough-ins are not included and must be arranged through Stateview Homes. Stateview Homes is not responsible for any upgrades purchased through Bad Boy
7. Once the chosen appliances are delivered no exchanges or returns will be allowed. All Hood Fans are final Sale
8. Appliance models are subject to change without notice, a replacement model will be selected by Bad Boy for that exact model.
9. Door swings on refrigerators must be stated at time of purchase.
10. Standard and upgrade package appliances will be delivered to the home after the closing date. It is the Homeowners responsibility to make arrangements directly with Bad Boy in setting up delivery and paying of the final upgrade balance.
11. Certificate has no cash value and is non-transferable.
12. Extended warranties will be offered by Bad Boy on all packages as an upgrade option at an additional cost
13. 1 year warranty is the standard manufacture warranty.

HOMEOWNER ACKNOWLEDGES THAT THEY HAVE READ AND ACCEPT THE TERMS AND CONDITIONS.
STANDARD PACKAGE INCLUDES STAINLESS STEEL REFRIGERATOR, RANGE, DISHWASHER, HOOD
FAN AND FRONT LOAD LAUNDRY SET.

SITE: BEA TOWNS

HOMEOWNERS: [REDACTED]

UNIT # [REDACTED] PHONE # [REDACTED] CLOSING DATE: SEPT 18 2024

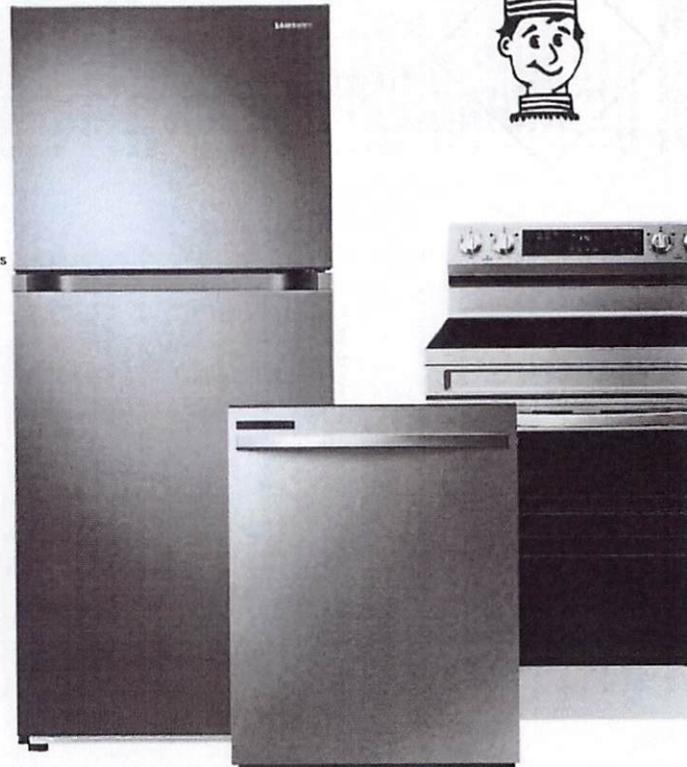
EMAIL: [REDACTED]

AUTHORIZATION:

DATE: _____ PER: _____

STATEVIEW HOMES

Live Inspired



BEA BEAUTIFUL! FEATURES & FINISHES TO MAKE YOUR HOME AMAZING

BEA SMART!

ENERGY SAVING FEATURES FROM OUR HARMONY PACKAGE

- ④ 2" x 6" exterior wall construction with R-22 + 5 insulation, R-60 in attic. Expanding foam insulation to be R-31 to all garage ceilings with finished areas above
- ④ All bathrooms (with or without windows) have exhaust fan (EnergyStar® qualified) vented to the outside
- ④ Forced Air Natural Gas Condensing Furnace, 96% ECM efficiency, with an ECM motor, power vented to the outside
- ④ Heat Recovery Ventilation Unit (H.R.V.) simplified system
- ④ EnergyStar® qualified condensing domestic hot water tank (rental unit)
- ④ All main trunk ducts, including basements for supply and return and panned joists to be taped, for added heating and cooling efficiency
- ④ Centrally located electronic EnergyStar® qualified thermostat on main floor
- ④ LED light bulbs where applicable to help conserve energy
- ④ Extensive caulking for improved energy conservation and draft prevention
- ④ The use of recycled material throughout the building process

BEA STYLISH!

EXTERIOR FEATURES & STRUCTURAL COMPONENTS

Welcome to unexpected curb-appeal. With Modern-style roof lines and a blend of Traditional/Modern building materials reveal in beauty of your arrival.

- Each home exterior is comprised of a combination of all brick, stone, stucco, freeze board and/or precast accents with masonry detailing around windows and doors (as per plan/elevation/options)
- Durable, maintenance free, pre-finished aluminum soffits, fascia, eaves trough and downspouts, all colour coordinated
- Prominent insulated entry door with door hardware package including grip-set and deadbolt, featuring glass inserts to front entry door features (as per plan/elevation/options) with complementing door sills to both front and rear doors for a custom touch
- Exterior aluminum railings for decorative applications, (where required by code). Actual railing detailing may vary from railings depicted on brochures (as per plan/elevation/options)
- One exterior hose bib is provided in garage
- Pre-finished roll-up metal insulated garage doors with decorative glazing and hardware

BEA A CHEF!

GOURMET DREAM KITCHEN FEATURES

- Custom quality designed kitchen cabinets with choice of styles from Vendor's standard samples (as per plan/options)
- Space for dishwasher including rough-in plumbing and electrical
- Built in pantries and broom closets, breakfast counters / islands and bank of drawers (as per plan/options)
- Luxurious stone kitchen countertops with your choice of colour from Vendor's standard samples
- Colour coordinated kick plates to compliment cabinets
- Stainless steel finish, under mount sink in kitchen with pull-out faucet
- 6" kitchen stove vent to be vented to the outside

BEA PAMPERED!

LUXURIOUS BATHROOM FEATURES

- Custom quality designed primary ensuite/bathrooms cabinets with choice of styles from vendor's standard samples (as per plan/options)
- Laminate countertop for primary ensuite/bathrooms with a contemporary pencil edge and a clean-cut finish where the countertop meets the wall
- Single lever faucet(s) in all bathrooms
- White pedestal sink for all powder rooms
- High efficiency water saving white toilets in all bathrooms
- Deep acrylic soaker tubs (as per plan/options)
- Wall tiles up to ceiling and mosaic floor tiles in all shower stalls
- Ensuite retreats with glass showers
- All bathroom tub & shower enclosures to receive "mold resistant drywall"
- Shut off valves to all bathroom sinks & toilets
- Privacy locks on all bathroom doors

BEA BRIGHT!

LIGHTING & ELECTRICAL FEATURES

- 100-amp electrical services with breakers (as per OBC building code)
- Weatherproof exterior electrical outlets, each accessible exterior door
- Automatic smoke detector(s) with strobe lighting to meet OBC building codes for home and family safety
- All wiring in accordance with Ontario Hydro standards
- Electric door chime
- Decora light switches plugs and plates
- Carbon monoxide detectors
- Two (2) electrical outlets in garage, one (1) on wall and one (1) on ceiling
- Ground fault indicator receptacles, as per building code

BEA FLOORED!

EXQUISITE FLOORING COVERINGS

- Tile flooring – locations as per applicable model layouts
- Natural flooring – locations as per applicable model layouts
- Broadloom flooring with under pad in 3rd level hallway, and all bedrooms from builder's samples
- Sub-floor is glued, sanded, and screwed down before application of finished floors

BEA FRESH!

LAUNDRY ROOM COMFORTS

- All upper floor laundry closets/rooms to include a floor drain and tiled baseboards (as per plan/options)
- Convenient durable "no break" Polypropylene laundry tub with separate drain (as per plan/options)
- Outside venting for dryer
- Hot and cold laundry taps for washer with heavy duty wiring for dryer

BEA SAFE!

COMFORT, SAFETY, AND SECURITY

- High quality locks with dead bolts on all exterior swing doors
- Hinges and striker plates reinforced with extra-long screws

BEA READY!

HELPFUL ROUGH-INS FOR FUTURE CONNECTIVITY

- Three (3) cable television outlets (RG-6 Standard). Location to be determined by purchaser
- One (1) internet rough-in (CAD-5 Standard). Location to be determined by purchaser

- One (1) telephone outlet. Location to be determined by purchaser
- StateView Homes shall provide a personally scheduled appointment with our qualified Technical Contractor to explain, and co-ordinate any additional Security/Technology requirements requested
- Rough-in Central vacuum system to all finished floors with pipes dropped to garage as determined by StateView Homes
- Alarm Rough-in only
- Monitored security system available through StateView Homes supplier. With purchase of optional two-year security system, the buyer will receive a fully installed security system, which includes contacts on all opening windows and doors for "lookout" and "walkout" basement, one motion detector, one keypad, one siren and central panel with associated hardware (see your Décor Representative for details)
- Municipal address plaques provided
- Professionally home cleaning service prior to occupancy
- Duct cleaning prior to occupancy

BEA COMFORTABLY ELEGANT!

BREATHTAKING INTERIOR LIVING SPACES

Step inside a well-built luxurious setting. Built with exceptional attention to detail. Special touches abound, to make everything feel just right.

- 3-storey townhouses have nine (9) ceilings on the main, second & third floor
- 4-storey townhouses have nine (9) ceilings on the main, second & fourth floor, with eight (8) ceilings on the 3rd floor
- All heights are approximate and subjected to site plan approval conditions, bulkheads and low headroom areas (due to mechanical systems and ceiling dropped down areas as required - all heights are measured to the top of the floor joist and can be adjusted at the discretion of StateView Homes. Purchaser accepts the same
- Surken or raised foyer, mud room, laundry room, garage entrance landing (where permitted or dictated by grade) (as per plan/options) (Purchaser accepts the same)
- Easy maintenance free smooth ceilings in kitchen, laundry room, powder rooms and all bathrooms, with sprayed stipple ceilings with 4" smooth border in all other areas
- White paint on all walls and white semi-gloss paint on doors and trim
- Elegant oak stairs (venetian stringers, carpet grade treads & nosing), 1 5/16" oak square spindles to finished areas with warm natural finished oak handrails (as per plan/options) and baseboards throughout with doorstep to tile or oak flooring areas
- Casing on all doors / windows throughout finished areas
- Quality finished interior knobs on all interior doors with complementing hinges
- 6'8" doors, Pocket doors, and French doors (as per plan/options)
- Decorated columns and complementing low wall detail (as per plan/options)
- Art niches, stepped walls, vaulted and / or cathedral ceilings, double height and Palladian windows, curved walls, media centers and art ledges, and waffle ceilings (as per plan/options)
- Thoughtful storage considerations with well-appointed linen, pantries and mud room closets, spacious walk-in closets with shelving installed (as per plan/options)

BEA THE BEST!

CUSTOMER FRIENDLY UPGRADE PROGRAM

- We are pleased to provide quotations prior to construction for extras or custom finishes for interior features. Purchasers have the opportunity to make upgraded interior selections when they attend to choose their colours and materials (when schedules permit)

BEA SMART!

COMFORT SMART HOME AUTOMATION

- ④ One (1) smart central Automation Hub with touchscreen located at the front entrance of the home
- ④ One (1) smart door lock on the inside garage door leading to house (grade and options permitting)
- ④ One (1) smart lighting control
- ④ One (1) smart thermostat control
- ④ One (1) smart water leak sensor
- ④ One (1) pre-construction homeowner system design consultation
- ④ One (1) customer system training session
- ④ StateView Homes shall provide a personally scheduled appointment with our qualified Technical Contractor to explain and co-ordinate any additional technology requirements requested

BEA CONFIDENT!

STATEVIEW HOMES GUARANTEE

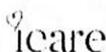
- Backed by "Tarion" (Ontario New Home Warranty Program). StateView Homes, is a registered member of TARION and shall comply with all warranty requirements
- 7-year structural warranty, 2-year warranty, and 1-year Builder's comprehensive warranty

BEA ADVISED!

AS PER PLAN / ELEVATION / OPTIONS

- ✓ All references to size, measurements, materials, construction styles, trade/brand/industry name or terms may be converted from imperial to metric or vice versa and actual product size may vary slightly as a result
- ✓ All references to features and finishes are as per applicable plan or elevation and each item may not be applicable to every home. Locations of features and finishes are as per applicable plan or at the Vendor's sole discretion. Purchaser is aware that all items labeled as opt./optional are not included in the standard layouts
- ✓ All features and finishes where Purchasers are given the option to select the style and/or colour shall be from the predetermined standard selections
- ✓ The vendor will not allow the purchaser to do any work and/or supply material to finish the dwelling before the "Home Closing Date"
- ✓ House types subject to final approval by the municipality or developer's architectural committee final using and approval by the vendor's architect
- ✓ Variations from vendor's samples may occur in finishing materials, kitchen and vanity cabinets, floors and wall finishes due to normal production process. The vendor is not responsible for shade difference occurring from different dye lots on all material such as ceramic tile or broadloom, roof shingles, hardwood flooring, wood stairs, railing, kitchen cabinets, countertops, or exterior materials. Colour and material will be as close as possible to vendor's samples, but not necessarily identical. Where Purchasers are given the option to upgrade the stain of the interior stairs and railing, the purchaser is aware that the stain will complement the Hardwood. "It will not match the hardwood"
- ✓ Purchasers may be required to reselect colours and/or materials from the vendor's samples as a result of unavailability or discontinuation. Due to grade, floor from garage to house may not be available
- ✓ Ceilings and walls may be modified to accommodate mechanical system
- ✓ Purchaser acknowledges being advised that the windows may experience condensation as a result of changes in temperature and humidity in the house and accepts this as a natural characteristic of the windows and is advised to keep humidity level constant to reduce this tendency
- ✓ In an effort to continuously improve its product StateView Homes reserves the right to alter floorplans, elevations, specifications and prices without notice. All renderings, floor plans and maps in brochures and sales displays are artist's conceptions and are not necessarily to scale and the dimensions/square footages are approximate and may vary due to continuous improvement by the vendor
- ✓ The Purchaser acknowledges that the floor plan may be revised
- ✓ The vendor reserves the right to substitute materials that are of equal or better quality. The determination of whether or not a substitute is of equal or better quality shall be made by the Vendor whose determination shall be final and binding
- ✓ The ceiling heights is measured from the top of the unfinished subfloor to the underside of the unfinished ceiling above before finishes and excluding bulkheads and drop ceilings, as per plan
- ✓ If minor variations to the size of the Dwelling including internal dimensions of any areas are made to the Dwelling the Purchaser shall accept such minor variations without any abatement to the Purchase Price (\$ 10% total area allowance)

05/12/21



HARMONY

StateView's Harmony Package is specially designed set of Features and Finishes meant to save water and energy, built from sustainable, ethically sourced materials and promote eco-friendly lifestyle.

COMFORT

StateView's Comfort Plus Package is a smart home automation system designed to improve life of homeowners, help with maintenance, security and efficiency of each house.





SCHEDULE 5

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LEGEND

- BACK-TO-BACK TOWNHOMES - TYPE 'A'
- BACK-TO-BACK TOWNHOMES - TYPE 'B'
- BACK-TO-BACK TOWNHOMES - TYPE 'C'

THE FLOOR PLAN, ELEVATIONS, SECTION, SPECIFICATIONS AND LEGEND DETAILING SHOWN ARE PRELIMINARY AND SUBJECT TO CHANGE WITHOUT NOTICE. THE FLOOR PLAN IS NOT TO BE USED FOR CONSTRUCTION. ALL DIMENSIONS ARE APPROXIMATE. ACTUAL RESULTS MAY VARY FROM THE FLOOR PLAN. THE FLOOR PLAN IS NOT TO BE USED FOR CONSTRUCTION. ALL DIMENSIONS ARE APPROXIMATE. ACTUAL RESULTS MAY VARY FROM THE FLOOR PLAN. THE FLOOR PLAN IS NOT TO BE USED FOR CONSTRUCTION. ALL DIMENSIONS ARE APPROXIMATE. ACTUAL RESULTS MAY VARY FROM THE FLOOR PLAN.

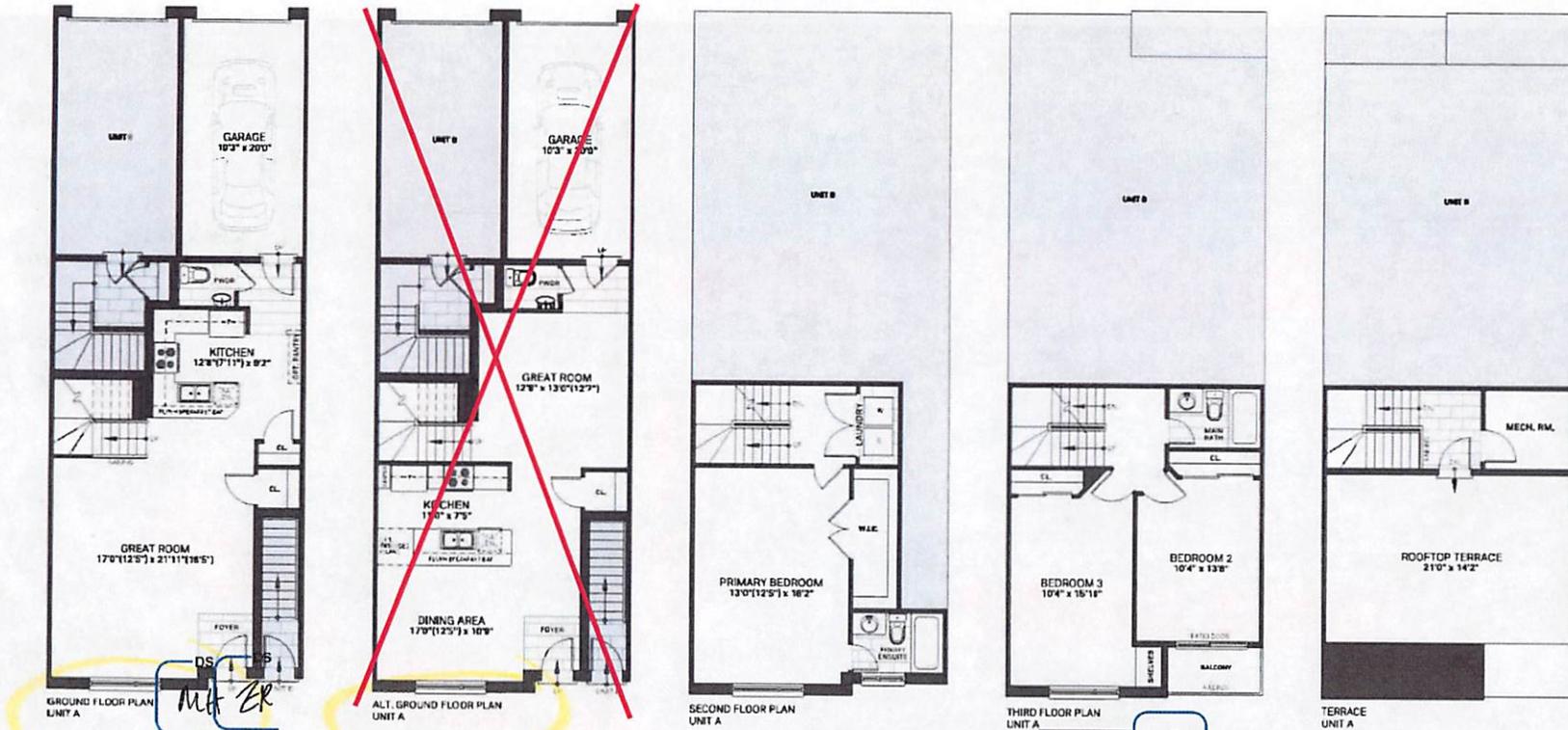


THE LIVINGSTONE

UNIT A - 3 STOREY BACK TO BACK

1,870 SQ.FT.

STATE VIEW
HOMES
Live Inspired



SCHEDULE 'D'

3	5	7	9	11	13	19	21	23	25	27	29	35	37	39	41	43	45	51	53	55	57	59	61	102	106	108	110	116	118	120	122	124	126			
158	160	166	168	174	176	178	184	186	188	194	196	198	200	206	208	210	212	214	286																	

PURCHASER INITIALS:



THE FLOOR PLANS, ELEVATIONS, DIMENSIONS, SPECIFICATIONS AND ARCHITECTURAL DETAILING SHOWN ARE PRE-CONSTRUCTION PLANS ONLY AND MAY BE CHANGED OR REVISED WITHOUT NOTICE INCLUDING AS MAY BE NECESSITATED BY ARCHITECTURAL CONTROLS AND THE CONSTRUCTION PROCESS. ALL DIMENSIONS ARE APPROXIMATE. ACTUAL USABLE FLOOR SPACE MAY VARY FROM THE STATED AREA. HOUSE MAY BE REVERSED. STEPS MAY VARY AT ANY EXTERIOR ENTRANCE. ILLUSTRATIONS ARE ARTIST'S CONCEPT ONLY. EXTERIOR FINISHES TO BE INSTALLED ONLY AS REQUIRED BY GRADE NOTWITHSTANDING ANY ILLUSTRATIONS OR PLANS. E. & O. E. MAY 17 2021

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SCHEDULE "G"
TO THE PURCHASE AGREEMENT OF STATEVIEW HOMES (BEA TOWNS) INC.
ASSIGNMENT SCHEDULE

1. The Vendor agrees that notwithstanding the terms and conditions of the Purchase Agreement to which this schedule is attached, the Purchaser shall be entitled to assign this agreement of purchase and sale (the "Assignment"), at the Vendor's discretion, provided the Purchaser pays the Vendor's fee in this regard in the amount of \$5,000.00 plus HST, together with the Vendor's solicitor's legal fees of \$950.00 + HST, on the following terms and conditions:
 - a. the Purchaser shall only be entitled to exercise this right of assignment once the Vendor has entered into final and binding agreements for not less than 85% of all of the residential dwellings in the Project and not after 90 days prior to the Closing Date;
 - b. all deposits required to be paid pursuant to this Purchase Agreement as of the date of the Assignment have been paid in full, and this right of assignment may only be exercised once by the original Purchaser, and such purchaser shall remain liable under the Purchase Agreement until the assignee has completed the agreement of purchase and sale;
 - c. the Purchaser shall only be entitled to exercise this right of assignment provided that the Purchaser is not in default and has never committed any default under the Purchase Agreement;
 - d. the Purchaser shall not be entitled to list the Property, for sale on the Multiple Listing Service, social media sites, electronic billboards or internet sales or advertising sites of any nature (ie, Craigslist, Ebay, Kijiji, etc.,) any brokerage web site or personal web site, any newspaper, flyer and/or media platform of any nature. Any breach of this covenant shall automatically result in the loss of the right of assignment as provided for herein and shall constitute a default under the agreement of purchase and sale that is incapable being rectified by the Purchaser;
 - e. the party to whom this Purchase Agreement is being assigned (the "Assignee") provides evidence satisfactory to the Vendor (as determined by the Vendor in its complete discretion) that the Assignee has the financial ability to complete the transaction contemplated by the Purchase Agreement; and,
 - f. the Purchaser and the Assignee enter into the Vendor's form of assignment agreement (the "Assignment Agreement"), without amendment, which agreement shall, *inter alia*, provide:
 - i. all deposits theretofore paid by the Purchaser (the "Deposits") shall be assigned to the Assignee;
 - ii. the Purchaser releases all right and interest in the Property and the Deposits;
 - iii. the Assignee agrees that the monies and consideration paid to the Purchaser shall be included in the calculation of any Land Transfer Taxes eligible in respect of the Property;
 - iv. The Assignee shall acknowledge that the Canada Revenue Agency may determine that the Assignee may not qualify for the Rebate or Rebates, as applicable, due to the assignment and in such case the Assignee shall pay the Vendor on closing, the amount equal to that portion of the Rebate or Rebates to which the Assignee may no longer qualify for, and as a result the Vendor shall be charging the Assignee of the Rebate amount, in addition to the Purchase Price, on the Unit Transfer Date;
 - v. the Vendor shall charge HST on the amount of any assignment fee and/or increase in the Purchase Price as between the Assignee and the Assignor as well as the loss of any portion of the Rebate arising as a result of the assignment;
 - vi. the Purchaser warrants that he has delivered and the Assignee warrants that he/she has received, one fully executed Purchase Agreement and all of the disclosure documents required to be delivered to a Purchaser pursuant to the Act;
 - vii. the Assignee and Assignor covenant and agree that, in consideration of the Vendor consenting to the assignment, they waive any and all right to delayed occupancy compensation pursuant to the Ontario New Home Warranties Plan Act; and
 - viii. notwithstanding the assignment of the Purchase Agreement the Purchaser and/or Assignor shall not be relieved of its obligations under the Purchase Agreement, should the Assignee fail to complete the purchase of the Property.
2. In the alternative, the Vendor in its discretion may require that the assignee under the Assignment Agreement enter into a new agreement and the Assignment Agreement may take the form of a new purchase agreement with the replacement purchaser together with a conditional release of the original purchaser with the Vendor being entitled to the retain from the final purchase price payable by the new Purchaser the Vendor's its fees as aforesaid, Assignment HST and an amount equal to any decrease in the HST Rebate arising as a result of the purchase price of the replacement purchaser increasing and thereby decreasing the available HST rebate before paying the original purchaser the difference between the purchase price under this agreement and the purchase price payable by the replacement purchaser.
3. Without limiting the foregoing any such consent provided by the Vendor herein shall not extend to nor allow for or in any way be deemed to include any right of the Purchaser to conduct an 'open house' or similar showing of the Property or list for sale or advertise for sale the Property on any multiple listing service or similar type service, all of which are strictly prohibited. The Purchaser acknowledges and agrees that once a breach of the covenants contained herein 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 Agreement, 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.
4. ^{DS}All other terms and conditions of the Purchase Agreement shall remain in full force and effect unless specifically amended herein.

Purchasers' Initials

Purchasers' Initials

DEFINITIONS

6. The following terms shall have the following meaning for the purposes of this agreement:
- a) **"Act"** shall mean the Condominium Act, 1998, C. 19 S.O. 1998 as amended
 - b) **"Agreement"** and/or **"Purchase Agreement"** shall mean this agreement and all schedules thereto as amended from time to time.
 - c) **"Closing Date"** shall mean the date that the Vendor transfers title to the POTL to the Purchaser in accordance with the terms of the Addendum.
 - d) **"Condominium Corporation"** and/or **"Condominium"** and/or **"condominium"** shall mean the Common Element Condominium Corporation created upon registration by the Vendor of the Creating Documents, and the term **"Condominium"** shall mean the Common Elements Condominium created upon registration of the Creating Documents;
 - e) **"Condominium Documents"** shall mean the Creating Documents (as hereinafter defined), the by-laws and rules of the Condominium Corporation, any agreements authorized by by-law, the disclosure statement and budget statement, all as may be amended from time to time;
 - f) **"Creating Documents"** means the declaration and description (as such terms are defined in the Act), which are intended to be registered against title to the lands comprising the Condominium Corporation and which will serve to create the Condominium, as may be amended from time to time;
 - g) **"Deposits"** shall mean the deposits or any one of them as set out on Page 3 of this Agreement, to be credited towards the Purchase Price on the completion of the transaction that is the subject of this Agreement;
 - h) **"Development Agreements"** has the meaning attributed thereto in paragraph 30.
 - i) **"Extras"** or **"extras"** means those finishes, wall coverings, floor coverings, fixtures, appliances and/or upgrades or any of the foregoing not specified in any schedule of standard suite finishes or schedule of upgrades;
 - j) **"Governmental Authorities"**, **"governmental authorities"**, **"Governmental Authority"** or **"governmental authority"** means the Municipality (as hereinafter defined), together with any county, regional, provincial, federal and/or other governmental authority or agency and/or any utility or service provider (private or public) providing services or utilities to the Property and/or Subdivision and/or having jurisdiction over the Subdivision;
 - k) **"Lands"** or **"Real Property"** shall mean those lands and premises comprised of: BLOCK 76, PLAN 51M1167; CITY OF BARRIE;
 - l) **"Municipality"** means the local municipality in which the Property is situate, and if such entity is not the designated authority for the purposes of granting approvals pursuant to Section 51 of the Planning Act, R.S.O. 1990 as amended (the "Planning Act"), then the term **"Municipality"** shall include such approval authority to the extent that it has power and authority to the matters ascribed to a "Municipality" hereunder;
 - m) **"Occupancy Date"**, **"Occupancy"**, **"occupancy date"** or **"occupancy"** shall mean whichever of the Firm Occupancy Date, Delayed Occupancy Date and/or the Outside Occupancy Date on which the Vendor gives the Purchaser legal occupancy of the Dwelling Unit (as hereinafter defined), in accordance with the terms of this Agreement and the Addendum. Provided that in the event that the Purchaser has already been provided with occupancy of the Unit (as hereinafter defined), then such terms shall mean the Closing Date;
 - n) **"Occupancy Fee"** or **"Occupancy Fees"** shall mean the sum or sums of money payable as set out in the Occupancy Licence;
 - o) **"Occupancy Licence"**, **"Occupancy Agreement"** **"Licence Agreement"**, **"Interim Occupancy Licence"** and/or **"Interim Occupancy Agreement"** shall mean the agreement setting out the terms and conditions by which the Purchaser shall occupy the Unit during Interim Occupancy as substantially set forth in Schedule "C" forming part of this Agreement. Provided that the Vendor reserves the right to amend or vary such terms and conditions and the Purchaser agrees to accept such revisions and amendments. The Purchaser shall execute the Interim Occupancy Licence on or before the Occupancy Date; **"Occupancy Payment"** shall mean the additional deposit to be paid by the Purchaser on the Closing Date if the Closing Date occurs before the Occupancy Date, which shall be an amount equal to ten percent of the Purchase Price. In the event that the ONHWPA and/or the Addendum prohibits such additional deposit then the obligation to pay same shall be deemed to be deleted from this agreement and the balance of the agreement shall remain in full force and effect;
 - p) **"ONHWPA"** shall mean the Ontario New Home Warranties Plan Act, R.S.O., 1990 as amended and all its regulations and bulletins;
 - q) **"POTL"** shall mean the freehold parcel-of-land as described on Page 4 of this Agreement. . The Purchaser acknowledges and agrees that a reference plan describing the POTL shall be registered prior to the Occupancy Date (as hereinafter defined) and that the description of the POTL or Property set out on the transfer/deed of lands given to the Purchaser on the said Occupancy Date shall be described in accordance



with such reference plan, and the Purchaser agrees to accept such revised description in lieu of the description as may be set out in this agreement;

- r) **"Property"** shall mean the Dwelling and POTL collectively;
- s) **"Property Services"** or **"Dwelling Services"** shall mean those telephone, internet, telecommunication, water, gas, electrical, sewer and other services and utilities provided to the Property by any utility or service provider;
- t) **"Purchaser"** means the purchaser(s) as defined in paragraph 1 of page 4 of this Agreement to which this schedule is attached;
- u) **"Purchase Price"** means the purchase price of the Property as defined on page 4 of this Agreement to which this schedule is attached, as increased by any amount(s) as set out herein reimbursable and/or payable by the Purchaser to the Vendor (hereinafter defined as "Additional Charges") for the purposes of calculating the total value of consideration for the purposes of HST and Land Transfer Tax, and as amended or adjusted in accordance with the terms and provisions of this Agreement;
- v) **"Rebate"** or **"Rebates"** shall mean any provincial and/or federal new housing purchase rebate and/or transitional rebate applicable to this purchase transaction (regardless whether such transitional rebate is initially claimable by the Purchaser or the Vendor), and shall include any refund, credit, rebate of any form or nature of such HST applicable to this purchase transaction but specifically shall not include any new housing residential rental or leasing rebate whatsoever, and such Rebates shall be fully assignable, transferred and/or credited and/or paid to the Vendor as hereinafter set out;
- w) **"Residential Dwelling"** or **"Dwelling"** shall mean the home to be constructed upon the POTL by the Vendor, in accordance with this agreement;
- x) **"Schedule"** shall mean any schedule attached or annexed to this Agreement, which shall form part of this Agreement, and the term **"Schedules"** shall mean any two or more of same;
- y) **"service provider"** or **"Service Provider"** shall mean any party providing any service or utility to the Property and/or Subdivision;
- z) **"Developer"** means the registered owner of the Lands (including the Vendor if applicable) as of the date that the Condominium is registered;
- aa) **"Tarion"** or **"Warranty Corporation"** shall mean Tarion Warranty Corporation;
- bb) **"Teraview Electronic Registration System"** or **"TERS"** shall mean the electronic real estate gateway and document production system available to authorized solicitors in the Province of Ontario, used in the creation and delivery of the Transfer/Deed of Land conveying title to the Property;
- cc) **"Vendor"** means the party or corporation defined as same on the front page of this Agreement to which this schedule is attached;

ADJUSTMENTS AND REIMBURSEMENTS TO THE PURCHASE PRICE

7. The Purchaser shall be responsible and obligated to pay the following costs and/or charges in respect of the Property either on the Occupancy Date or the Closing Date as determined by the Vendor. The Purchase Price shall be adjusted to reflect the following items, which shall be apportioned and allowed to the Closing Date with the day itself apportioned to the Purchaser:
 - (a) The Purchaser agrees to take all necessary steps to assume immediately on Closing, charges for electricity, water, gas and other services, and the Vendor may recover any payments made by the Vendor on account of the Property from the Purchaser. The gas meter/water meter/electricity meter is/are not included in the purchase if it/they is/are not the Property of the Vendor. The Purchaser shall pay, or reimburse the Vendor for the cost of, or the charge made for, or prepayments for, or security performance deposits relating to, any of the water, electricity or gas service, including, without limitation, the cost and/or installation of any meters, and the installation, connection and/or energization fees for any of such services. The Purchaser agrees to accept the utility suppliers designated by the Vendor. Subsequent to Closing and prior to assumption of the subdivision by the Municipality, if the Purchaser changes any or all of the utility suppliers, the Purchaser shall be responsible for the repair of any damage caused to the Property and neighbouring lands by such alternate utility suppliers and any costs incurred by the Vendor or Vendor to restore the Property to the original state provided by the Vendor;
 - (b) Taxes, fuel, water rates, assessment rates and local improvements to be apportioned and adjusted with the Vendor being responsible for all such charges up to the Closing Date with the Purchaser being responsible for all such charges from and including the Closing Date. Where the Vendor has posted security for taxes, made payment for taxes or has been advised by the applicable authority that taxes will be billed to its account for the current year and/or following year, taxes shall be adjusted as if such sum had been paid by the Vendor notwithstanding that the same may not by the Closing Date have been levied or paid, subject, however, to readjustment upon the actual amount of said realty taxes being ascertained. In the event realty taxes have not been individually apportioned or assessed in respect of this Property and remain en bloc, then notwithstanding that such en bloc taxes may be outstanding and unpaid, the Purchaser covenants to complete this transaction and accept the Vendor's undertaking to pay realty taxes once individually assessed against this Property and agrees to pay on Closing a deposit to be readjusted and to be applied on account of



the Purchaser's portion of realty taxes applicable to this Property. Municipal realty tax re-assessment and/or supplementary tax bills relating to the Dwelling constructed on the Property issued subsequent to the Closing shall be the sole responsibility of the Purchaser. Notwithstanding the foregoing, the Vendor shall not be obliged to make any readjustment of the foregoing deposit in the event that such readjustment is equal to or less than one hundred fifty dollars (\$150.00);

- (c) The Purchaser shall pay to the Vendor on closing the charge imposed upon the Vendor or its solicitors by the Law Society of Ontario upon registration of the Transfer/Deed of Land or Charge/Mortgage of Land or any other instrument in the amount of sixty-five dollars (\$65.00);
- (d) The Vendor represents and warrants that it is reregistered as a builder under the Ontario New Home Warranties Plan Act, as hereinafter defined, and that the Property is or will be enrolled under the Ontario New Home Warranties Plan Act. The Purchaser covenants and agrees to reimburse the Vendor on closing for the enrolment fee paid by the Vendor for the Property under the Warranty Act (together with any provincial or federal taxes eligible with respect thereto);
- (e) A Five Hundred Dollars (\$500.00) administrative fee shall be charged to the Purchaser for any cheque delivered to the Vendor pursuant to this Agreement or for any extras ordered, which is returned "N.S.F." or upon which a "stop payment" has been ordered or is not honoured by the bank of the Purchaser for any other reason (collectively "Returned Cheque") and such administration fee shall form a credit in favour of the Vendor in the Statement of Adjustments for each Returned Cheque and shall be paid on the Closing Date;
- (f) Any increase after the date of execution of this Agreement by the Purchaser in any levy, payment, contribution, charge, fee assessment, together with any and all interest charges pertaining to development charges levied by the municipality including without limitation, any parks levies, development charges, education development charges, cash in lieu of parkland dedication payments, public art contributions and/or impost charges (collectively, the "Existing Levy") required, assessed, charged or imposed as of that date by the Municipality, a regional municipality, a transit authority, a public or separate school board or any other authority having jurisdiction under the Development Charges Act, the Education Act, the Planning Act and any other existing or new legislation, bylaw and/or policy and/or if any of the aforesaid authorities require, assess, charge or impose a new or any other levy, payment, contribution, charge, fee or assessment (collectively referred to as the "New Levy") under the Development Charges Act, the Education Act, the Planning Act and any other existing or new legislation, bylaw and/or policy after the date of execution of this Agreement by the Purchaser then, the Purchaser shall pay to the Vendor the increase to the Existing Levy and/or amount of the New Levy, as the case may be, as an adjustment on the Closing Date plus Applicable Taxes exigible thereon;
- (g) All proper readjustments shall be made after Closing, if necessary, forthwith upon written request. The Vendor may reserve a Vendor's Lien, following the Vendor's usual form, for unpaid purchase monies or adjustments or claims herein provided together with the interest thereon as provided for herein, and the Purchaser covenants and agrees to forthwith pay all costs in relation to said Vendor's Lien including, without limitation, the Vendor's solicitor's legal fees and disbursements and the cost to register said Vendor's Lien on title to the Property. The Vendor will upon request deliver to the Purchaser (for registration at the Purchaser's expense) a release of the Vendor's Lien after such unpaid purchase monies or adjustments or claims herein provided, as applicable, together with the interest thereon as provided for herein have been received by the Vendor and upon payment of a discharge fee of one hundred dollars (\$100.00) plus Applicable Taxes;
- (h) The Purchaser shall provide a refundable security deposit in the amount of twenty-five hundred dollars (\$2,500.00) on the Closing (the "Security Deposit") to secure compliance with the Purchaser's obligations hereunder including, without limitation, the Purchaser's grading and subdivision damage covenants. The Purchaser and/or the Purchaser's designate does hereby agree that at the time of the PDI or such other time as may be set by the Vendor, the Purchaser and/or the Purchaser's designate will attend at the Property and upon such request, the Purchaser and/or the Purchaser's designate and Vendor mutually agree that they will attend at the Property to inspect with the Vendor the subdivision services installed by the Vendor or Vendor and to compile a list of all existing damages or defects to the subdivision services, including buried or damaged water boxes and keys, damaged curbs or sidewalks, retaining walls, acoustic barriers, fences and other such applicable services. Such compiled list to be signed by the Vendor and the Purchaser and/or the Purchaser's designate, and the Purchaser shall not under any circumstances be responsible for the cost of repair, rectification or replacement of such existing damages or defects and the Vendor shall not apply any portion of the Security Deposit paid by the Purchaser in compliance with this Agreement in respect of the repair, rectification or replacement of any such existing damages to the subdivision services. The Vendor's consulting engineer for this subdivision shall be the authority for the development of the subdivision as a whole and will determine responsibility and damages and costs therefore and in the event that the Vendor's consulting engineer determines the responsibility for the cost of repair, rectification and/or replacement is that of the Purchaser, then the Vendor will charge the Purchaser accordingly, save and except for those items listed on inspection as noted herein and the Purchaser agrees to abide by such engineer's decision and the Vendor will deduct the cost of such repair, rectification or replacement from the Security Deposit relevant thereto. Should the cost of such repairs, rectification or replacement EXCEED the value of the Security Deposit, then the Vendor shall be entitled to compensation from the Purchaser for the difference between the Security Deposit and such costs and the Purchaser shall pay such shortfall amount upon demand by the Vendor. The Security Deposit, (or any balance thereof after applicable deductions as herein described) shall be released to the Purchaser(s) named in this Agreement AFTER the event of Municipal Assumption of Subdivision Services;
- (i) In the event the Vendor has provided the Purchaser with a building or foundation survey, the Purchaser shall pay the Vendor same in the amount of five hundred (\$500.00), plus Applicable Taxes as an adjustment on Closing;



- (j) Any charges, plus Applicable Taxes, paid by the Vendor to the Municipality and/or other governmental authority with respect to "Blue Boxes" or other recycling programs, shall be reimbursed to the Vendor on the Closing;
 - (k) If the Purchaser fails to enter into any necessary contractual arrangements with the relevant public or private utility authorities and suppliers with regards to the provision of water, hydro, gas, cable TV and/or any other service to the Property on or after the Closing Date (or the Occupancy Date if the Purchaser takes Occupancy of the Dwelling before the date of Closing), the Purchaser shall forthwith upon demand pay to the Vendor all amounts charged to the Vendor after the Closing Date (or the Occupancy Date if the Purchaser takes Occupancy of the Dwelling before the date of Closing) with regards to such utilities and/or services plus the Vendor's administrative fee of two hundred fifty dollars (\$250.00) plus Applicable Taxes for each month (or part thereof) that the Vendor is charged for each said utilities and/or services;
 - (l) if requested by the Vendor or the Electricity Provider (as defined below), then the Purchaser agrees to enter into or assume a contract with the provider of electricity and/or the party monitoring consumption of electricity to the Property (the "Electricity Provider"), on the Electricity Provider's form, for the provision and/or metering of electricity services to the Property. The fees, costs and charges (including, without limitation, any rental, security deposit, administration, commodity and non-commodity fees/charges) for such electricity services and/or for monitoring consumption of same shall be adjusted for the month of closing with the Purchaser being responsible for such fees, costs and charges from and after the Closing Date;
 - (m) if requested by the Vendor or the Water Provider (as defined below), then the Purchaser agrees to enter into or assume a contract with the provider of water and/or the party monitoring consumption of water to the Property (the "Water Provider"), on the Water Provider's form, for the provision and/or metering of water services to the Property. The fees, costs and charges (including, without limitation, any rental, security deposit, administration, commodity and non-commodity fees/charges) for such water services and/or for monitoring consumption of same shall be adjusted for the month of closing with the Purchaser being responsible for such fees, costs and charges from and after the Closing Date;
 - (n) if requested by the Vendor or the Gas Provider (as defined below), then the Purchaser agrees to enter into or assume a contract with the provider of gas and/or the party monitoring consumption of gas to the Property (the "Gas Provider"), on the Gas Provider's form, for the provision and/or metering of gas services to the Property. The fees, costs and charges (including, without limitation, any rental, security deposit, administration, commodity and non-commodity fees/charges) for such gas services and/or for monitoring consumption of same shall be adjusted for the month of closing with the Purchaser being responsible for such fees, costs and charges from and after the Closing Date.
 - (o) In the event the Vendor has undertaken an obligation to the Vendor to contribute to the cost of subdivision esthetic enhancement such as boulevard treatment or improvement, or landscaping, or subdivision entrance features, or corner lot fencing, or fences or retaining walls, in the subdivision, the Purchaser shall, on closing, reimburse the Vendor as to the cost thereof for the Property, the cost to be absolutely determined and apportioned by statutory declaration sworn on the part of the Vendor.
8. All proper readjustments shall be made after Closing Date and/or the Occupancy Date, if necessary, forthwith upon request. Any limits on the costs of adjustments or reimbursement shall be deemed to be exclusive of applicable taxes and the Vendor shall be entitled to add the cost of applicable taxes to such adjustments, including any HST that may be added to the Levies or other adjustments, if required by the Canada Revenue Agency. The Vendor shall provide a statutory declaration of the costs for which it is requesting re-adjustment after closing, and such adjustments as owed to the Vendor shall be a charge on the Property, and the Vendor shall be entitled to a vendor's lien in respect of same and shall be entitled to enforce such payment in the same manner as a mortgage in default.

HARMONIZED SALES TAXES

9. a) The Purchase Price set out above includes the HST net of Rebates as assigned/transferred to the Vendor, and the Purchase Price has been established on the basis that Purchaser will qualify for the full amount of the Rebate or Rebates, as applicable, and that the Rebate or Rebates will be assigned or an equivalent amount transferred or credited to the Vendor, in addition to such Purchase Price. The current rate of HST is 13 percent and this is the rate that is applicable to this contract before netting out the Rebates from such HST. Purchasers are advised that the Purchase Price offered to the Purchaser has been calculated on the basis that the Purchaser shall qualify for and assign to and/or transfer and/or reimburse the Vendor the maximum Rebate based on the Purchase Price set out herein as adjusted, save and except as hereinafter set out to the contrary. The Vendor shall credit the Purchaser on Closing Date as determined by the Vendor, with all Rebates to which the Purchaser is entitled, subject to the Purchaser assigning and/or transferring or crediting the Rebates (or an equivalent amount) to the Vendor and/or reimbursing the Vendor for such Rebates as hereinafter set out subject to the assignment/transfer/crediting of the Rebates to the Vendor. The Purchaser warrants and represents that he/she qualifies for the full amount of the Rebate possible with respect to this purchase transaction and that either he or she or a blood relation, as set out in the ITA, shall be occupying the Property from and after the Closing Date. In the event that there is any legislation of any Governmental Authority that does not permit the assignment of the Rebate then the Purchaser shall transfer, credit and/or pay an equivalent amount of the Rebate to the Vendor on Closing (or thereafter as applicable) and the Vendor shall be entitled to vendor's lien for such amount and the Purchaser acknowledges that this amount form part of the consideration due to the Vendor.
- b) If the rate of HST is increased or decreased or the percentage of calculation of the Rebate is amended/reduced, or the rate or thresholds in respect of the HST exemptions or rebate entitlement are changed between the date of this Agreement and the Closing Date or Occupancy Date, with the result that



the net amount of the HST to be remitted by the Vendor increases, then the Purchaser shall pay the Vendor an amount on the Closing Date equal to such additional HST payable by the Vendor. A statutory declaration of any officer of the Vendor as to the alteration, increase amendment, etc., as hereinbefore set out shall be determinative in this regard.

- c) If the rate of the HST is reduced between the date of this Agreement and the Closing Date but such reduction is for the benefit of the Purchaser and not the Vendor (the "HST Credit"), then the Purchaser hereby assigns all right, benefit and entitlement to such HST Credit and shall execute any and all forms, documents, assignments, etc., as required by the Vendor in this regard in the Vendor's absolute discretion. The Purchaser hereby irrevocably authorizes and directs CRA to pay or credit the HST Credit directly to the Vendor.
 - d) The Purchaser covenants and warrants (which covenant and warranty shall survive the completion of this Agreement) that he/she has not made any claim and will not make any claim for any Rebate or HST Credit in respect of the Property.
 - e) Notwithstanding any other provision in this Agreement to the contrary, the Purchaser agrees that the Purchase Price for the Property, set out on page 3 of this Agreement, does not include HST on closing adjustments and amounts payable for Extras and/or upgrades purchased or ordered by the Purchaser (whether as part of this Agreement or otherwise) payable under this Agreement and that same are subject to HST on the Closing Date and that such HST shall be chargeable and payable by the Purchaser in addition to any other HST included in the Purchase Price. The Purchaser acknowledges and agrees that the HST payable in respect of such adjustments and/or Extras and/or upgrades shall be at the rate of HST otherwise applicable to this Agreement.
10. The Purchaser hereby irrevocably assigns and/or transfers to and/or credits the Vendor all of the Purchaser's rights, interests and entitlements to the Rebate (and concomitantly releases all of the Purchaser's claims to or interests in 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. The Purchaser represents and warrants that the Purchaser is acquiring the Property for his or his blood relative's primary place of residence within the meaning of the Excise Tax Act (Canada) or Income Tax Act (Canada) or any replacement statute and is entitled to the maximum amount of the Rebate applicable to purchase transactions of this nature, at the Purchase Price as amended in accordance with in this Agreement. In the event that there are separate assignments and rebates of the provincial and/or federal portion of the HST with respect to this transaction, the Purchaser shall execute and deliver all applications, assignments, declarations, documents and/or other assurances (in the form required by the Vendor or the Government of Canada and/or the Province of Ontario) to the Vendor required to establish and assign all of his or her right, title and interest in the Rebates or any portion thereof. . In the event that there is any legislation of any Governmental Authority that does not permit the assignment of the Rebate then the Purchaser shall transfer, credit and/or pay an equivalent amount of the Rebate to the Vendor on Closing (or thereafter as applicable) and the Vendor shall be entitled to vendor's lien for such amount and the Purchaser acknowledges that this amount form part of the consideration due to the Vendor. The Purchaser covenants and agrees that the Vendor shall have the right in its complete discretion to determine whether the Purchaser qualifies for any Rebates and the Vendor's determination of such entitlement shall be final and binding. The Purchaser hereby covenants, warrants and/or represents to the Vendor, with respect to this transaction, that:
- a) the Purchaser is a natural person who is acquiring the Property with the intention of being the sole beneficial owner thereof on the Closing Date (and not as the agent or trustee for or on behalf of any other party or parties),
 - b) upon the Occupancy Date and continuing up to and including the Closing Date, and continuing thereafter, the Purchaser or one or more of the Purchaser's blood relations, as determined in accordance with the Excise Tax Act (Canada) and Income Tax Act (Canada), shall personally occupy the Property as his, her or their primary place of residence, for such period of time as shall be required by the 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 Property; and
 - c) he or she has not claimed (and hereby covenants not to hereafter claim), for the Purchaser's own account, any part of the Rebate in connection with the Purchaser's acquisition of the Property, save as otherwise hereinafter expressly provided or contemplated or permitted.
11. The Purchaser acknowledges and agrees that:
- a) the total consideration for the calculation of HST includes not only the Purchase Price but all other taxable supplies charged to the Purchaser pursuant to this Agreement or otherwise including without limitation, Extras, upgrades, applicable adjustments and/or reimbursements charged by the Vendor under this Agreement such as Taron Enrolment fees, connections fees, as well as any charge for development charge levies and education levies or other levies and charges, etc. (with such additional amounts hereinafter referred to as the "Additional Charges"), the costs of which the Vendor may charge to the Purchaser. The Additional Charges and applicable HST shall constitute part of the taxable supply with respect to the said transaction and shall be added to the Purchase Price to determine the total consideration upon which HST and the Rebate are calculated; and
 - b) any Extras and/or Additional Charges are part of the single supply of the home and for HST purposes constitutes a change in the price being paid for the Dwelling and for the purposes of HST shall be deemed to form part of the Purchase Price.
12. If it is determined by the Vendor that the Purchaser is not entitled to the maximum permitted Rebate or any portion thereof (including any portion of same the Purchaser becomes disentitled to as a result of an increase in the total



consideration payable hereunder as a result of any Additional Charges, Extras, etc., purchased or payable by the Purchaser), the Purchaser agrees to pay to the Vendor, in addition to any other amounts stipulated in this Agreement, the amount of the Rebate to which the Purchaser becomes disentitled, (which shall be paid on the Closing Date) and until so paid, such amount shall form a charge/vendor's lien against the Property, which charge shall be recoverable by the Vendor in the same manner as a mortgage in default. The Purchaser covenants and agrees to indemnify and save the Vendor harmless from and against any loss, cost, damage and/or liability (including without limitation, legal fees and disbursements, and 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 maximum permitted 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) and such amounts shall be deemed to comprise a vendor's lien registerable on title to the Property. If the Vendor determines that the Purchaser is not entitled to the Rebate at any time prior to the Occupancy Date then it shall be entitled to demand and the Purchaser shall pay, an additional deposit equal to an amount that is 20% of the Purchase Price as set out on Page 3 of this Agreement.

13. The Purchaser covenants and agrees that in the event of any amendment, revival, novation, re-instatement of this Agreement, acquisition of Extras or upgrades, or any other action of the Purchaser results in the Rebate or HST Credit not being assignable, in whole or in part, then the Purchaser shall pay to the Vendor on the Closing Date the amount of the Rebate or HST Credit which the Vendor does not receive or become entitled to.
14. The Purchaser covenants and agrees that any breach by it of the provisions as set out in these foregoing sections dealing with HST shall be deemed to be a fundamental breach by the Purchaser and 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 Property as hereinbefore provided or contemplated), and/or may unilaterally declare this Agreement to be terminated and of no further force or effect, whereupon all deposit monies theretofore paid, together with all monies paid for any extras or changes to the Property, may be retained by the Vendor as its liquidated damages, and not as a penalty, in addition to (and without prejudice to) any other rights or remedies available to the Vendor at contract, law or in equity.

INTERIM OCCUPANCY AND FINAL CLOSING

15. The Addendum attached to this Agreement sets out the terms and conditions of the establishment and/or extension of the Closing Date and the Addendum shall prevail over any term or provisions relating to the Closing Date set out in this Agreement, and if any such term or provision exists in this Agreement that shall conflict or be inconsistent with the Addendum, then such terms and provisions shall be deemed to be severed and deleted from this Agreement without affecting the validity and enforceability of the balance of this Agreement. In the event that the Condominium has not been registered as of the Closing Date then the Purchaser shall take occupancy of the Property in accordance with the terms of this Purchase Agreement and the Occupancy Licence. In such event the transfer of title to the Property shall take place on the Closing Date. The Vendor, at its discretion and without obligation, shall be permitted a one-time unilateral right to extend the Closing Date for one Business Day to avoid the necessary tender where a Purchaser is not ready to complete the transaction on the Closing Date. The Vendor shall only be obliged to complete that portion of the Dwelling and/or common elements as are required by the Addendum for the purposes of providing legal occupancy of the Dwelling and the Purchaser shall close on such date notwithstanding that there are portions of the Dwelling or common elements that are not completed on such Closing Date, all without holdback or abatement. In addition to any other documents that the Purchaser must provide the Vendor, the Purchaser agrees that on the Closing Date, the Purchaser agrees to deliver to the Vendor:
 - a) if the Occupancy occurs prior to the Closing Date, a certified solicitor's trust or bank draft payable to the Vendor for the Occupancy Payment;
 - b) if the Closing occurs prior to the Closing Date, a series of six post-dated cheques (or such greater number as the Vendor may require), each in the amount of the said monthly Occupancy Fee, for the next 6 months (or more) commencing the month immediately following the month after Stub Period (as defined herein), together with two copies of the Occupancy License, executed by the Purchaser. The Purchaser shall pay the Vendor occupancy fees for the entire Interim Occupancy in accordance with the terms of the Act and this Agreement;
 - c) a clear and up-to-date execution certificate in respect of the Purchaser's name (and guarantors' name if same is required for the Purchaser's financing of this transaction) from the Land Titles Office in which the Lands are registered, and if a clear execution certificate cannot be obtained from the said Land Titles Office because of any outstanding execution(s) filed against a person or persons with a name similar or identical to that of the Purchaser or guarantor, then the Purchaser or guarantor shall be obliged to deliver an unqualified statutory declaration of his/her solicitor, confirming that the Purchaser is not one and the same person as the judgment debtor(s) named in the said execution(s) (and shall also provide such other information and documentation as the Vendor's solicitor may reasonably require in order to be satisfied, in the Vendor's solicitor's sole discretion, that the Purchaser or guarantor is not one and the same person as the particular execution debtor(s) named in the outstanding execution(s)).
 - d) an executed electricity and/or gas supply contract or assumption of contract, a hot water tank or heater rental contract, in the Vendor's or Service Provider's form for the provision of a rental hot water tank or heater and/or supply of Property Services (as hereinafter defined) to the Property or any one or more of them, together with a security deposit for the provision of electrical, water and/or natural gas services, as may be required by the service provider(s);
 - e) if the Closing occurs prior to the Occupancy Date, a certified cheque for the occupancy fees in respect of the month of occupancy and, at the discretion of the Vendor, the next month (the "Stub Period");



- f) an irrevocable direction to the Vendor indicating and confirming the manner in which the Purchaser wishes to take title to the Property, accompanied by the date of birth and social insurance number of each person approved by the Vendor to take title to the Property supported by a copy of their respective birth certificates (issued by the Department of Vital Statistics), if so requested by the Vendor, and any other documentation, agreements or Authorizations required by the Vendor's solicitors;
 - g) if the Occupancy occurs prior to the Closing Date, a copy of a current financing commitment from a bank, trust company, credit union or institutional mortgage lender confirming, without qualification that the Purchaser has been approved for bank financing in an amount equal to the difference between the Purchase Price and the amount of a) the deposits; and b) any other amount that the Purchaser can provide evidence acceptable to the Vendor that he or she will be able to pay on the Closing Date or any other such evidence satisfactory to the Vendor in its sole discretion that the Purchaser has the requisite funds or financial capability to complete the transaction contemplated herein (the "Financial Information"). The failure of the Purchaser to provide the Financial Information as required above shall be an event of default by the Purchaser entitling the Vendor to its remedies herein, including, *inter alia*, the termination of this Agreement and the forfeiture of all deposit monies or other monies paid by the Purchaser pursuant to this Agreement;
 - h) all HST Rebate Forms, assignments of rebate, HST indemnities, and such other assurances, declarations, affidavits, undertakings (including undertakings to readjust), assurances, covenants, acknowledgments, directions and other closing documents (all in the Vendor's form without amendment) as the Vendor may require in its complete discretion; and,
 - i) if the Occupancy occurs prior to the Closing Date, evidence satisfactory to the Vendor that the Purchaser has liability insurance in place with respect to the occupancy of the Property by the Purchaser in an amount of not less than \$2,000,000.00 per occurrence and the Vendor may, in its discretion, require that it be named as additional insured in that policy.
16. The Purchaser acknowledges and agrees that he/she shall be personally responsible for making all arrangements for the supply of Dwelling Services to the Property and that in the event that he/she fails to make such arrangements on or before the earlier of the Closing Date, that the service provider may refuse to provide such utility or service to the Property on or after such date. Notwithstanding that such utility or service may not be provided to the Property on or before the earlier of the Closing Date due to the failure of the Purchaser to arrange for same:
- a) the Purchaser shall close the transaction in accordance with this agreement; and
 - b) under no circumstances shall the Purchaser be entitled to any claim, refund, credit, reduction/abatement or set-off whatsoever against any portion of the Purchase Price, or against any portion of the common expenses, Occupancy Fees or other adjustments with respect thereto;

save and except if provided in the Addendum to the contrary.

17. After the registration of the Creating Documents, the Vendor's Solicitors shall designate a date as the Closing Date by delivery of written notice of such date to the Purchaser or his Solicitor, as set out in the Addendum. If the Closing Date falls on a day when the relevant Land Registry Office is not open for business, the Closing Date shall be the day next following when the Land Registry Office is open for business. Provided that in no event shall the Closing Date occur more than 12 months after the Closing Date on which the Purchaser took occupancy of the Property save and except as specifically provided for herein or in the Addendum. Save and except if prohibited by the Addendum, the Vendor shall have the right to extend the Closing Date one or more times upon without any requirement of prior notice, and the Purchaser shall not be entitled to any compensation for the extension of the Closing Date. The Purchaser shall adjust for any and all changes to the adjustments after closing within 20 days of request by the Vendor, failing which the default interest provisions for unpaid adjustments shall apply.

SUPPLEMENTARY OCCUPANCY PROVISIONS

18. The following terms and provisions shall apply to the use and occupancy of the Property prior to the Occupancy Date by the Purchaser, namely:
- a) The Purchaser agrees to maintain the Property in a clean and sanitary condition and not to make any alterations, improvements or additions thereto, other than painting, without the prior written approval of the Vendor which may be unreasonably withheld.
 - b) From and after the Occupancy Date to and until the Closing Date and continuing thereafter, 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 Property by the supplier of such services.
 - c) The Vendor and the Purchaser covenant and agree, notwithstanding the taking of possession, that all terms of this agreement of purchase and sale 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.
 - d) It shall be the responsibility of the Purchaser, after the Occupancy Date to insure the personal property of the Purchaser, as well as all contents on the Property of the Purchaser. The Vendor shall not be liable for the Purchaser's loss occasioned by fire, theft or other casualty, unless caused by the Vendor's willful conduct.
 - e) 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 Property or by reason of injury to any person or property in or upon



the Property 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 Property as a result of the Purchaser's neglect, damage or use of the Property, which shall be deemed to be an event of default by the Purchaser, that the Purchaser will immediately reimburse the Vendor for the cost of doing same, and with 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.

- f) The Purchaser shall not have the right to assign, sublet or in any other manner dispose of the Occupancy Licence prior to the Closing Date without the prior written consent of the Vendor which consent may be arbitrarily withheld. The Purchaser acknowledges that, if permitted by the Vendor, such assignment will result in the Purchaser owing the Vendor, in addition to the Purchase Price, all amounts equal to all Rebates and HST Credits as the assignment will disentitle the Purchaser to the Rebates and will also pay the Vendor an administrative fee together with all applicable taxes will be payable to the Vendor each time the Purchaser wishes to assign, sublet or dispose of the Occupancy License and is permitted to do so.
- g) The Purchaser shall execute on Occupancy an occupancy agreement, any terms of any advisory/warning clauses forming part of this agreement.

AFTER CLOSING

- 19. a) In the event that after taking Occupancy of the Dwelling, the Purchaser shall complete and/or install any additions and/or improvements such as but not limited to, porches, patios, plantings, paved driveways, pools or hot tubs, curbs or fences which are located within six (6) feet of an external wall or within any area which interfere with the Vendor installing any required services, the Purchaser will remove such addition and/or improvements within five (5) days of written request from the Vendor and prior to the Vendor taking any corrective actions which it is required to take.
- b) In the event that after taking occupancy of the Dwelling, the Purchaser shall complete and/or install any improvements, additions or alterations thereto, including, but not limited to, finishing basement, wallpapering, cabinetry and/or mouldings and/or finishings, porch tiles or finishes, pools or hot tubs the Purchaser shall be required to remove such improvements, additions or alterations at his own expense, in the event that the Vendor shall be required to carry out any repairs or replacements in the Dwelling in the area of such improvements, additions or alterations.
- c) The Purchaser acknowledges that grading and sodding shall be done between June and October (weather permitting and subject to availability of supplies) of any year as per the Vendor's scheduling program. The Purchaser agrees that he shall be solely responsible for watering and general maintenance of sod from the Closing or from the date that sod is laid, whichever shall be later, and the Vendor shall have no obligation in that regard. In the event the Vendor is, for any reason, required to replace laid sod, the Vendor shall not be obligated to do so until payment has been made therefor by the Purchaser and if so replaced, the Purchaser agrees to reimburse the Vendor for the costs and expenses of same as determined by the Vendor, which costs and expenses may be deducted from the Security Deposit at the Vendor's sole, absolute and unfettered discretion. Further, the Purchaser acknowledges that the order of closing of the Property and/or the order of completion or closing of other lots sold by the Vendor is not indicative of the order of sodding of the Property and said other lots.
- d) The Purchaser covenants to occupy the Dwelling forthwith after Closing. The Purchaser agrees not to finish the whole or any part of the basement of the Dwelling for a period of twenty-four (24) months after the Closing or such longer period which is equivalent to the warranty period under the Warranty Act for basement repairs. The Purchaser hereby releases the Vendor from any liability whatsoever in respect of water damage to basement improvements and chattels stored in the basement resulting from water seepage or leakage, including any consequential damages arising therefrom.
- e) The Purchaser acknowledges that the Vendor has a master key for the Condominium and in the event that the Purchaser wishes to change any locks, he may do so, at his own expense, any time after Closing.

CONDOMINIUM MATTERS

- 20. Purchaser acknowledges and agrees that the Property may be subject to without limitation, conditions of draft approval (hereinafter "Draft Conditions") one or more Development Agreements, site plan agreements and or subdivision agreements between the Developer and Governmental Authorities and/or the Municipality, notice of which is hereby expressly acknowledged by the Purchaser, and pursuant to which the Developer or the Municipality is responsible at its own expense for constructing and installing all services within the development, which services may include paved roads, sidewalks, storm water retention facilities, retaining walls, curbs, storm and sanitary sewers, street lights, parks, conservation areas, playgrounds, etc. and if the Developer is other than the Vendor, the Vendor shall not be liable in any way to the Purchaser for the manner in which said services are installed or constructed. The Purchaser acknowledges and agrees that it shall be his sole responsibility to review without limitation, the Draft Conditions, any Development Agreements, cost-sharing agreements, site plan agreements or subdivision agreements as hereinbefore described, prior to closing, which the Purchaser hereby agrees to take title subject to. The Vendor shall not be obligated to obtain or register a full or partial release of the Property from or in respect of such agreements, nor shall the Vendor be obliged to have said agreements deleted from title, and the Purchaser shall satisfy himself as to compliance therewith.
- a) The Vendor of the Condominium, in which the Property is situate or their servants or agents may, for such period after Closing as is designated by the Vendor, enter upon the Property at all reasonable hours to enable



completion or correction of sodding, fencing, corner lot screens or fences, condominium aesthetic enhancement features, to inspect, repair, complete, or rectify construction, grade and undertake modifications to the surface drainage, including installation of catch basins, without liability therefor, and the Transfer/Deed may contain such provisions.

- b) The Purchaser acknowledges that construction of the Dwelling may be subject to the requirements of the architect appointed by the Vendor (the "Vendor's Architect") and the Purchaser agrees to accept the Property subject to any changes, variations or restrictions now or hereafter imposed by the Vendor or the Vendor's Architect.
- c) The Purchaser acknowledges that the dimensions of the Property set out in this Agreement or on any schedule attached hereto or shown on drawings or plans made available to the Purchaser on site or otherwise are approximate only. In the event the frontage, depth or area of the Property is varied from those specified in the Agreement, or on any schedule attached hereto or shown on drawings or plans made available to the Purchaser on site or otherwise, as aforesaid, or any or all of the foregoing and provided the Property complies with municipal and other governmental requirements including zoning by-laws, the Purchaser agrees to accept all such variations without claim for abatement in the Purchase Price and this Agreement shall be read with all amendments required thereby. In addition to the foregoing, if minor variations of the size of the Dwelling including internal dimensions of any areas are made to the Dwelling the Purchaser shall accept such minor variations without any abatement of the Purchase Price.
- d) Condominium esthetic enhancements such as boulevard treatments, landscaping (including tree planting), entrance features, or corner lot fencing, or fences or retaining walls which may be erected/placed/installed within the Condominium in accordance with municipally approved plans. Such Condominium esthetic enhancements may not necessarily apply to/benefit all dwellings within the Condominium. The erection/placement/installation and/or spacing of condominium esthetic enhancements such as municipal trees and/or privacy fencing are not entitled to any refund/abatement of any sums payable to the Vendor hereunder. In the event this Agreement, any schedule hereto or other matter obligates the Vendor to install or provide any of the features set out herein, such matters will be provided and installed at the times determined by the Vendor and shall not comprise outstanding deficiencies or matters with respect to the completion of the Dwelling, and the Purchaser specifically acknowledges, covenants and agrees that any such features shall be installed at the times determined by the Vendor in its sole and absolute discretion.

ACKNOWLEDGMENTS REGARDING WARNING CLAUSES

- 21. The Purchaser acknowledges that the Draft Conditions and existing and/or future Development Agreements between the Vendor and/or the Developer and the Municipality may require the Vendor to provide the Purchaser with certain notices or warnings including, without limiting the generality of the foregoing, notices or warnings regarding the use of the Property, environmental issues, noise levels from adjacent roadways or otherwise, maintenance of municipal fencing, school transportation and related educational issues, installation of pools, aesthetic restrictions, care of landscaping on the Property and the status of services and works in the development. The Purchaser acknowledges and agrees that the Vendor may be unable, at this time, to provide the Purchaser with all such notices and warnings and same shall be provided in the future and shall be deemed to form part of this Agreement and the Purchaser shall execute all documents, amendments, assurances as required by the Vendor in this regard and such further warnings or acknowledgments shall not affect nor diminish the Purchaser's obligation to complete his/her obligations under this Agreement. The Purchaser acknowledges and agrees that the Vendor and/or Developer may be unable to sell the Property to the Purchaser or obtain the release of securities unless the Purchaser executes such acknowledgments, amendments or assurances, etc., as aforesaid. In the event that the Purchaser fails to execute such acknowledgments, amendments and/or assurances, etc., forthwith upon being requested to do so, such failure or refusal shall be considered a fundamental breach of this Agreement by the Purchaser and the Vendor shall be entitled to its remedies hereunder, including, at its sole option, to terminate this Agreement and upon such termination, all monies paid to the Vendor hereunder shall be forfeited to the Vendor as liquidated damages, not as a penalty, without prejudice to the exercise of any other remedy available to the Vendor, and this Agreement shall be at an end, and the Purchaser shall not have any further rights hereunder.
- 22. Purchasers are advised that despite the inclusion of noise attenuation features within the development area and within the individual building units, noise levels will continue to increase, occasionally interfering with some activities of the building's occupants.

COMPLETION OF GRADING AND MUNICIPAL SERVICES

- 23. a) The Vendor, its successors, assigns and all persons authorized by the Vendor, including, without limitation, the Municipality or any other governmental authorities having jurisdiction, shall have free access to the Dwelling and Property at all reasonable hours in order to make inspections and do such work or repairs as they may deem necessary. The Vendor, and all persons authorized by the Vendor, shall have a licence for a period of 10 years from the later of the Closing Date to enter into, over, along or upon any part of the Property, without being deemed to have committed a trespass, for the purpose of enabling, without limitation, the completion or correction of sodding and grading, and the installation, maintenance and/or repair of any municipal services or utility services, and/or for the purpose of effecting any remedial and/or corrective measures to the Property as may be required by the Municipality, any utility, or any other governmental authority or bonding company, or other relevant authority having jurisdiction in this regard.
- b) The Purchaser hereby acknowledges and agrees that the final grading of the Property may not be completed, nor a POTL grading certificate in respect of same issued by the Closing Date, yet the Purchaser agrees to nevertheless complete this transaction on the Closing Date, upon the Vendor's undertaking hereinafter set out, to complete the grading of the Property in accordance with municipal requirements as soon as



reasonably possible after the Closing Date, weather and soil conditions and the availability of labor, equipment and materials permitting. The Vendor, by this Agreement, hereby undertakes to complete (if not already completed), the grading of the Property in accordance with the provisions of the preceding sentence, and the Purchaser shall not request or call for any further documentation or assurances pertaining to this undertaking in respect of grading, from the Vendor, the Developer or the Vendor's solicitors. The Purchaser acknowledges and agrees that the engineering data and/or final approved grade in respect of the Property may not be finalized as of the date of execution of this Agreement, and accordingly the Vendor may be required to construct the Dwelling with a walk-out basement and/or deck or in the alternative may not be able to provide a walk-out basement and/or deck if specified in this Agreement, but the Purchaser shall be nonetheless obliged to complete this agreement. In the event that any additions and/or improvements are made to the Property or abutting road allowances by the Purchaser and/or its agents or contractors after closing such as, but not limited to, the installation of porches, decks, pools, spas, patios, plants, shrubs, trees, paved driveways or fences are so located so as to alter or affect the grading and/or drainage patterns of the Property, street sight lines, any easement granted or contemplated being granted to third parties or the Vendor and/or affects the final inspection and/or assumption of the development by the Municipality and/or the return of any security to the Developer or Vendor, then the Purchaser agrees to remove such additions and/or improvements at his own expense, forthwith upon the Vendor's request, failing which the Vendor may remove same at the Purchaser's sole expense and the Vendor shall be permitted to register and maintain a vendor's lien for such costs against the Property. The undersigned hereby acknowledges that complete engineering data in respect of the final grading of the Property as approved by the Municipality may not, as yet, be complete, and accordingly, the Purchaser agrees to accept the Property subject to any grading requirements or other requirements imposed by the Municipality.

- c) Notwithstanding the foregoing to the contrary, the Vendor or anyone delegated by it shall have the right to enter upon the Property during the rectification period as set out above in order to, without limitation, change or rectify grades or drainage patterns, and/or carry out any sodding and/or restoration and/or re-grading work required by the Development Agreements (as such term is defined herein) and/or Governmental Authorities and may remove any fences, installations, landscaping, obstructions or signs situate on the Property, without liability of any kind, if the foregoing provisions of this paragraph are not observed by the Purchaser. The Purchaser acknowledges that the Municipality and any Governmental Authorities having jurisdiction, shall have the right to enter upon the Property and Lands for such purpose in the event the Vendor and/or Developer and/or the Condominium fails to satisfy its obligations in respect of the foregoing provisions of this paragraph. The Purchaser further acknowledges that the transfer of title to the Property may contain a right of re-entry in favor of the Vendor and/or the Municipality and/or any other Governmental Authority having jurisdiction as aforesaid.
- d) Title to the Property may be subject to Development Agreements (as hereinafter defined) as well as restrictions, and/or covenants may be required to be given by the Purchaser on closing, preventing any changes being subsequently made to any exterior colour, materials, windows, treatment and/or cladding material of any exterior component of the Dwelling for any period of time after closing and as well as preventing the alteration or removal of any trees, vegetation, fencing, berm, retaining wall and/or other exterior element and the parties acknowledge that such items may be controlled by the Vendor, Developer, third party and/or any other governmental authority having jurisdiction for any period of time after closing. The Development Agreements may also contain important warning clauses affecting the use and enjoyment of the Property and the Purchaser is strongly advised to review same. The Purchaser covenants and agrees to abide by and comply with the terms and conditions of the Development Agreements, architectural controls, restrictions and covenants and agrees to indemnify and save the Vendor and Developer harmless from and against any losses and all damages, suits costs, expenses or liabilities incurred by the Vendor and/or Developer as a result of the Purchaser not complying with or defaulting under (in any way and with negligence not being required) with the terms and provisions of the such Development Agreements. In addition, the Purchaser covenants and agrees not to dump any materials, sod or other debris, garbage and/or landscaping or construction materials upon any other lands owned by the Vendor, Developer and/or the Municipality and the Purchaser shall reimburse the Vendor on closing or thereafter, for the costs of removing such materials and dumping same, including inter alia, haulage costs, labour costs and/or any other costs, expenses or fines incurred by the Vendor or Developer as a result of the Purchaser breaching this covenant, and the Vendor shall be entitled to register and maintain a vendor's lien for such costs.
- e) The Purchaser acknowledges and agrees that the filing of the consulting engineers' certificate(s) with the Municipality, or the issuance by the Municipality of an occupancy certificate or such other confirmation that the Property may be occupied shall, subject to the provisions of the Addendum, constitute complete and absolute acceptance by the Purchaser of all construction matters, and the quality and sufficiency thereof including, without limitation, all mechanical, structural and architectural matters. Acceptance of construction and siting of the Dwelling and/or grading of the POTL by the Municipality or governmental authorities shall conclusively constitute acceptance by the Purchaser. The Purchaser acknowledges that the road allowance or private road fronting or flanking the Property may have one or more postal boxes, CATV boxes, telephone boxes, fire hydrants and/or hydro-electric transformers, hydro poles, sidewalks, landscape furniture, etc., as required by the Municipality and the Purchaser agrees to accept same where located, notwithstanding that same may not be shown on any sales material, site plan, community property plan or brochures.

MAINTENANCE OF SOD AND LANDSCAPING

- 24. The Purchaser shall be solely responsible for the watering and general maintenance of the sod, tree, shrubs any other landscape plantings placed on the Property save and except as otherwise set out in the Disclosure Statement and any adjacent or abutting unpaved road allowances and/or boulevards from and after the closing date, or from the date that the sod is laid or the trees or shrubs or any other landscape plantings are planted, whichever date is later, and the Vendor and/or Developer shall have no obligation in that regard. In the event that the Vendor is required to water



and/or replace laid sod, trees, shrubs or any other landscape plantings as a result of the Purchaser's default of the aforesaid obligation, then the Vendor shall not be obligated to do so until payment has been made therefor by the Purchaser. Purchasers of POTLs upon which the Vendor or Developer has installed landscaping in accordance with the final approved plans for the Condominium shall be obliged to maintain and water and replace such soft landscaping and vegetation and shall not alter or remove any such soft landscaping materials or vegetation unless replaced by soft landscaping materials and vegetation in keeping with the approved landscaping plans for the Condominium.

DRIVEWAY PAVING

25. The Purchaser acknowledges that settlement of the driveway will occur and, as a result, the driveway may not be paved until after the Closing Date. The Vendor covenants and agrees to pave the driveway of the Property within 24 months after the Closing Date. The Vendor will notify the Purchaser prior to the date on which paving is to be completed and the Purchaser agrees to ensure that the driveway is free and clear of all vehicles and other obstructions to facilitate completion of such work. After paving has been completed, the Purchaser acknowledges that settlement of the driveway may still occur. The Vendor shall have no obligation to complete any further work on the driveway after paving has been completed notwithstanding further settlement. The Purchaser acknowledges and agrees that the Vendor shall not be required to give a separate undertaking to the Purchaser on the Closing Date to complete the driveway and the Purchaser shall not be entitled to a holdback of any amount due and payable to the Vendor on the Closing Date as security for the Vendor's obligations in this regard.

LANDSCAPING, RETAINING WALLS, FENCES, BERMS AND STRUCTURES OR FEATURES

26. The Purchaser agrees that in the event that any retaining wall, fence, berm and/or similar or other structure are built on the Property, the Purchaser shall be solely responsible for the repair and maintenance of same save and except where the Declaration makes this the responsibility of the Corporation. Where the Purchaser is obliged to make such repairs and undertake such maintenance, the Purchaser shall indemnify and save harmless the Vendor, Developer and any Governmental Authorities from all damages or costs associated with same and the Purchaser agrees, at the request of the Vendor, to execute such additional assurances in this regard as may be required by the Vendor and to have same registered on title by the Vendor if required by Vendor at the Vendor's option.

Where any portion of any fence is within 12 centimetres internally or externally of the Property line, such fence shall be deemed not to be an encroachment at that point (the "Permitted Encroachment") and the Purchaser agrees to accept title to the Property and to complete the sale contemplated herein, without abatement of the Purchase Price. If any portion of any fence is not deemed to be a Permitted Encroachment (an "Unpermitted Encroachment") then the Purchaser shall complete the transaction herein either upon the Vendor's undertaking to take all reasonable lawful steps to remove the Unpermitted Encroachment; or, at the Vendor's sole option, upon an abatement in the Purchase Price, such abatement to be calculated by the Vendor, in its discretion, acting reasonably.

As of the date of this Agreement, the final grading plan relating to the Land or Property may not have been completed by the Vendor or approved by the Municipality. Consequently, the Purchaser acknowledges and agrees that the grading of the Land may require the use of retaining walls on the Land or on adjoining properties. The Purchaser acknowledges and agrees that the Vendor shall have the right to construct such retaining walls without notice to the Purchaser and without compensation or abatement to the Purchase Price and the Purchaser agrees that he shall be responsible for maintaining the retaining wall on the Land from and after the Closing Date. In the event that the Purchaser fails to comply with this obligation, the Purchaser shall be responsible for all damages and injuries which may result. In addition, the Purchaser acknowledges and agrees that the Vendor may construct any fences and/or berms on or near the Lands, as may be required.

TARION WARRANTY AND MODIFICATION OF PLANS, SPECIFICATIONS AND FINISHES

27. The Vendor agrees to erect the Dwelling upon the Property generally in accordance with plans and specifications already examined by the Purchaser and as attached to this Agreement (the "Plans"). Provided however that the Purchaser acknowledges and agrees that decor, finishes, furniture, improvements, mirrors, wall coverings, floor coverings, and window coverings of the model home are for display purposes only, are not included in the Vendor's standard finishes and are not included in the Purchase Price. The Purchaser acknowledges that the area of the Dwelling purchased hereunder, as represented or referred to by the Vendor or any sales agent, is approximate only, and is measured in accordance with the applicable Tarion Bulletin 22 standard for homes of this classification. Note: actual useable floor space may vary from the stated floor area. Accordingly, the Purchaser hereby confirms and agrees that all details and dimensions of the Dwelling purchased hereunder are approximate only, and that the Purchase Price shall not be subject to any adjustment based upon square footage, net floor area or otherwise. In addition the Purchaser acknowledges and agrees that the ceilings may be dropped below standard heights and walls may be modified or bulk heads or mechanical spaces installed to accommodate mechanical systems thereby affecting the useable space in the Dwelling. Therefore the Vendor and the Purchaser agree as follows:

- a) The parties confirm and acknowledge that Tarion requires the Vendor to provide the Purchaser with a New Homeowner Information Package (the "Package" or the "HIP"), or electronic access to such HIP, at or before the pre-delivery inspection (the "PDI") of the Dwelling before the Occupancy Date and the Purchaser agrees to sign a Confirmation of Receipt for the same on receipt of the Package and/or electronic access to the Package being provided. The HIP or information on same is also available by contacting Tarion or obtaining same from their website at www.Tarion.com. The Purchaser shall have the right to designate a representative to undertake the PDI on his/her behalf without detracting from the Purchaser's right to conduct or be present when the PDI is being undertaken. The Purchaser and/or his or her designate, shall meet the Vendor's representative at the time designated by the Vendor prior to the Occupancy Date, to undertake the PDI of the Residential Dwelling and to list all items remaining uncompleted at the time of such inspection together with all mutually agreed deficiencies with respect to the Residential Dwelling, on the Tarion Certificate of



Completion and Possession and/or such form as may be prescribed by Tarion (the "PDI Form"). The said Tarion certificate and/or PDI Form shall be executed by both the Purchaser and the Vendor's representative forthwith after such inspection.

- b) The Purchaser further acknowledges and agrees that any warranties of workmanship or materials, in respect of any aspect of the construction of the Dwelling, whether implied by this Agreement or imposed by law or in equity, or by any statute or otherwise, shall be restricted to only those warranties deemed to be given by the Vendor pursuant to the ONHWPA, and shall extend only for the time period (and in respect of those items) stipulated or covered by ONHWPA. The Purchaser is advised to read the terms of the warranty as set out in the HIP carefully so that he/she understands what is included and/or excluded from such warranty and the Purchaser acknowledges and agrees that his/her only remedy shall be to pursue any claim as against the Vendor pursuant to the ONHWPA and its procedures and the Purchaser agrees that he/she shall not have, maintain, pursue, prosecute, etc., any claim against the Vendor in contract or at common law with respect to the subject matter of this agreement and/or warranties provided hereunder and shall not make, file, prosecute or otherwise advance any claim against the Vendor in the courts in this regard and this covenant may be plead as estoppel in this regard. Without limiting the generality of the foregoing, the Purchaser hereby releases the Vendor from any liability whatsoever in respect of water damage caused to improvements of, and chattels stored in, the Dwelling, and acknowledges and agrees that the Vendor shall not be liable or responsible for the repair or rectification of any damages to any exterior areas resulting from ordinary settlement, including the settlement of patio stones or sodded areas, nor for any damage to interior household improvements, chattels or decor caused by material shrinkage, twisting or warpage, nor for any secondary or consequential damages whatsoever resulting from any defects in materials, design or workmanship related to the Dwelling, and that the Vendor's only obligation shall be to rectify any defects pursuant to the terms of this Agreement and Tarion's warranty. The Purchaser acknowledges that any Third Party Work (as hereinafter defined) whether or not carried out by trades or subtrades employed by the Vendor shall be deemed to be work contracted directly by the Purchaser with the Vendor acting as agent for the Purchaser and as such, the Third Party Work shall not be covered by the Tarion warranty. The Purchaser covenants and agrees not to enter into any agreement or arrangement with any trade or subtrade employed by or under contract with the Vendor and/or any of its contractors, subcontractors and/or agents in respect of any work on the Dwelling. The Purchaser covenants and agrees not to undertake any renovation of finishing work in respect of the basement of the Dwelling for a period of 30 months after the Closing Date and in the event that the Purchaser does undertake such work, then the Vendor shall be relieved of any and all responsibility to restore such work or finishes in the event that the Vendor has to remove same in order to complete any warranty work and the Purchaser shall indemnify and save the Vendor harmless from and against any and all costs incurred by the Vendor in removing such finishes in order for the Vendor or its agents to be able to complete such warranty work.
- c) The Vendor shall complete the exterior landscaping or exterior building elements of the Property and Dwelling as soon as reasonably practicable, but the failure of the Vendor to complete the exterior landscaping or building elements, on or before the Closing Date or the failure of the Developer to complete any element on the Lands, Subdivision and/or Property, shall in no event entitle the Purchaser to refuse to take possession of the Dwelling and/or to close the within transaction on the Closing Date or to fail to remit to the Vendor the entire amount of the Purchase Price and any other monies required to be paid by the Purchaser hereunder, or to maintain any holdback of any part of the Purchase Price or any other monies due to the Vendor, provided that the Vendor has complied with the occupancy requirements of the Addendum. The Vendor hereby undertakes to complete the Dwelling and all unfinished work or improvements thereto in accordance with this Agreement, unless same affects the ability of the Dwelling to be legally occupied and in such event the terms and provisions of the Addendum shall prevail. The Purchaser agrees in such event to close the transaction, notwithstanding that there remains, without limitation, grading, landscaping or other exterior work or interior work to be completed, without any hold back of any part of the Purchase Price, on the Vendor's undertaking given to complete the Dwelling and all improvements to the Property. The Purchaser shall not hold the Vendor or the Municipality and/or any other Governmental Authorities and/or any of their respective agents liable for any damages, charges or inconvenience arising from, or in connection with the completion (or non-completion) of any item, including but not limited to boulevard sodding, sidewalks, driveway approach, paving, fencing, final POTL grading and/or POTL sodding.
- d) The Purchaser acknowledges and agrees that the Vendor may, from time to time, as required by it in its discretion and/or by any governmental authority having jurisdiction or any other rights with respect to the Property, change, vary or modify the plans and specifications pertaining to the Dwelling and Property, (including architectural, structural, engineering, landscaping, grading, mechanical, site service or other plans) from the plans and specifications existing at the inception of the project, or as they exist at the time 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 reversing the layouts of the Dwelling or changing the elevation/facade of the Dwelling. The Purchaser shall have absolutely no claim or cause of action whatsoever against the Vendor or its agent(s) for any such changes, variances or modifications. The Vendor shall advise the Purchaser of the changes as soon as reasonably possible about the amendments and alterations. The Purchaser also acknowledges and agrees that architectural and/or engineering control of exterior elevations, driveway construction, boulevard tree planting, landscaping, corner POTL fencing (including the location of such corner POTL fencing), exterior colour schemes, or any other matter external to the Dwelling or Property designed to enhance the aesthetics of the area in which the Property is situate (the "Requirements"), may be imposed by the Municipality or any other Governmental Authority and the Purchaser agrees to take occupancy and title to the Property subject to the Requirements. In the event the Vendor is required by any Governmental Authority to construct, alter, amend or change, pursuant to such Requirements, the exterior elevation for the Property and/or Dwelling other than as shown on the schedules to this Agreement or specified herein or is required to alter or modify the driveway, building facade or elevation, internal road or other hardscape installation, construction or location, boulevard tree planting or landscaping plan for the Dwelling or Property (all of which is hereinafter referred to as the "Amended Plans"),

the Purchaser hereby irrevocably authorizes the Vendor to complete and construct the Dwelling and Property in accordance with the Amended Plans and the Amended Plans shall be the approved plans for the purposes of the Purchaser's obligation to complete this Agreement. The Vendor shall have the right to construct the Dwelling on a reverse mirror image plan, including reversal of the interior floor layout and other minor modifications and the Purchaser agrees to accept such reversal and/or modification absolutely without any right of abatement of, or set-off against, the Purchase Price, in full satisfaction of the Vendor's obligations herein. The Vendor shall have the right to alter, modify and/or substitute other materials for that provided for in the Plans, provided that such material is of substantially equal or better quality than the material in the Plans, as determined by the Vendor acting reasonably. With respect to any aspect of construction, finishing or equipment, the Vendor shall have the right subject to the requirements of TARION or the provisions of the ONHWP, without the Purchaser's consent, to substitute materials, designs and/or installations, for those described in this Agreement, any schedule of finishes or in the plans or specifications, provided the substituted materials, designs and/or installations are in the judgment of the Vendor, whose determination shall be final and binding, of equal or better quality or as may be required as a matter of law or any applicable building, fire, plumbing and/or electrical code or regulation. References to model types or model numbers in any schedule of finishes or Extras addendum or agreement refer to current manufacturer's models as of the date of this agreement and may change without notice and the Vendor shall be entitled to replace with the manufacturer's or alternate manufacture models that are of a similar size, style, design and quality. The Purchaser acknowledges and agrees that finishing materials contained in any model suites or sales office displays including but not limited to substrates, floor and wall coverings, broadloom, furniture, electrical fixtures, window coverings, flooring, upgrade cabinetry, staircases, railings, appliances etc. may be for display purposes and may not be of the same grade or type, or may not necessarily be included in the dwelling unit purchased herein. Purchasers are advised that any ceiling height set out in this agreement will be measured approximately from the upper surface of the floor to the underside of the ceiling structure, provided however that various areas of the Dwelling may contain (or be subject to) ceiling bulkheads and/or dropped ceilings, in order to facilitate the installation of structural components, mechanical and HVAC systems and/or ductwork, and accordingly in those areas of the unit that are subject to said bulkheads and/or dropped ceilings the Vendor shall be entitled to reduce the overall ceiling height accordingly and the Purchaser covenants and agrees to accept such situations and/or alterations. The Purchaser acknowledges that any room dimensions as shown on any plans attached to this agreement or otherwise are approximate and may vary based on the construction requirements of the development in which the Property is situate and the Purchaser covenants and agrees to accept such variations and/or alterations. The Purchaser acknowledges, confirms and agrees that the extent of the actual or useable living space or net floor area 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 based on the permitted Tarion method of area calculation. The Purchaser shall have no claim against the Vendor for any changes, variances, alterations, amendments and/or modifications as permitted in this Agreement nor shall the Vendor be required to give notice thereof. The Purchaser hereby consents to any such alterations, variances, amendments and/or modifications and agrees to complete the sale notwithstanding same. The Purchaser shall have no claim against the Vendor for any such changes, variances, alterations, amendments or modifications, etc., 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 of the foregoing and that none of these matter shall be considered any material change.

- e) Notwithstanding anything contained in this Agreement to the contrary, it is understood and agreed by the parties hereto that in the event that construction of the Dwelling is not completed on or before the Closing Date or any extension thereof as hereinbefore contemplated, for any reason except for the Vendor's willful neglect, or in the event the Purchaser cannot take possession of the Dwelling on Closing Date by reason of any fire damage or other hazards or damages whatsoever occasioned thereto, constituting an event of Unavoidable Delay (as defined in the Addendum), then subject to the terms of the Addendum to the contrary, Vendor shall not be responsible or liable for reimbursing the Purchaser for any costs, expenses, or damages suffered or incurred by the Purchaser as a result of such delay or damage, and specifically shall not be responsible for any costs and expenses incurred by the Purchaser in obtaining alternate accommodation pending the completion of construction of the Dwelling or the rectification of the damage, nor for any costs incurred in having to store or move the Purchaser's furniture or other belongings pending such completion or rectification work.
- f) The Vendor shall have the right to enter upon the Dwelling for a period of eight (8) years after the completion of the transaction set out in this Agreement, as required by the Vendor in its complete discretion, in order to complete and/or rectify outstanding items identified in the PDI Form or any other list prescribed by Tarion and the Vendor agrees to complete and/or rectify same within a reasonable time after Closing (or some other date as prescribed by Tarion), having regard to the availability of equipment, materials and labour. The failure or refusal by the Purchaser to provide access to the Property and/or the Dwelling situate thereon by the Vendor or its workmen, servants, agents or contractors following reasonable notice by the Vendor, shall relieve the Vendor of any obligation to complete or rectify any items of work that may be outstanding and otherwise required to be completed by the Vendor pursuant to the provisions of this Agreement.
- g) The Purchaser agrees that in no event shall the Purchaser be entitled to obtain possession of the Dwelling and Property unless and until the Purchaser and/or his/her designated representative has completed the pre-delivery inspection and executed the said PDI Form. In the event that the Purchaser and/or his/her designated representative has omitted or refused to execute the said PDI Form prior to the Occupancy Date, and the Vendor has duly attended at the Dwelling for the purposes of completing the said PDI Form and to inspect the Dwelling, the Vendor shall have the unilateral right and option of either completing this transaction and refusing to allow possession of the Dwelling by the Purchaser until such PDI Form has been duly executed, or of terminating this Agreement, whereupon all Deposits and monies paid or payable in respect of Extras, together with all interest accrued thereon at the prescribed rate, shall be retained by the Vendor as its liquidated damages, and not as a penalty, in addition to (and without prejudice to) any other rights or remedies available to the Vendor at law or in equity.



- h) It is expressly understood and agreed that the Dwelling will be separately metered for utilities, including electricity, water and gas services, and accordingly the consumption of electricity and gas (as well as cable television, internet and telephone charges), shall be borne and paid for by the Purchaser from and after Occupancy Date. Water shall be bulk metered and Purchasers shall pay their pro rata share for consumption of water as part of their monthly common element expenses.
- i) The Purchaser covenants and agrees to pay to the Vendor all amounts to correct and remedy all damage caused by the Purchaser or those for whom he is in law responsible to any services installed within the Property, which services shall, without limitation, include survey stakes, landscaping, trees, planting, curbs, curb cuts, streets, roads, street signs, street lighting, sanitary and storm sewers and any underground services installed by or on behalf of any public or private utilities.
- j) It is understood and agreed that the Purchaser is not entitled to perform any work on the Property prior to Closing without the Vendor's written consent and in the event that such consent is obtained, the Purchaser must obtain at its expense, and without restriction, any applicable building permits for the subject work at the Purchaser's sole cost and expense. It is further understood and agreed that such work shall not be warranted by Tarion or the Vendor or any other party related to the Vendor and that the Vendor shall not be responsible for any delay, costs and/or penalties arising as a result of the delay by the Purchaser in completing such permitted work on or before the scheduled Closing Date.
- k) Further, in the event the Vendor determines that it needs to alter the grade of the Dwelling for any reason, than as depicted in the Plans, and as a result of such change in the elevation, the Vendor needs to install a step or series of steps to any entrance to the Dwelling or garage and this affects the interior dimensions of the Dwelling or garage, then the Purchaser agrees to accept such change in grade and the change in the usable interior space in the garage and/or Dwelling caused by the installation of steps and shall complete this transaction without any abatement in the Purchase Price. The Purchaser acknowledges and agrees that if due to grading or other requirements, as determined by the Vendor, at its sole, absolute and unfettered discretion, that it cannot or will not build a side door and/or door from the garage with direct access to the Dwelling, the Vendor need not build such door(s) and the Purchaser covenants and agrees to accept the Dwelling without such door(s) and the Purchaser shall not be entitled to any compensation or abatement of the Purchase Price.
- l) The Purchaser hereby acknowledges that complete engineering data in respect of the Municipally approved final grading of the Property may not, as yet, be complete and accordingly, it may not be possible to construct a Dwelling with a walk-out basement, look-out or rear deck where so indicated in this Agreement, or vice versa. In the event this Agreement calls for a walk-out basement, look-out, or rear deck and such is not possible or reasonable in the Vendor's opinion or in the event this Agreement does not call for a walk-out basement, look-out or rear deck and such is required, pursuant to final approved grading and engineering plans, the Purchaser shall accept a credit in the Purchase Price, or, pay the additional cost involved in constructing such walk-out basement, look-out or rear deck, as the case may be (such costs shall be absolutely determined by the Vendor).
- m) The Purchaser acknowledges that certain lots within the Condominium may, at the Vendor's sole, absolute and unfettered discretion, require catch basins in the rear yard and associated leads, drainage systems, weeping pipe/sump pump systems, retaining walls, fencing, landscaping and other subdivision enhancement features, and the purchaser shall maintain all such items in proper working condition. Additionally, the Purchaser is advised that electricity transformers, street light poles, hydrants and other utility infrastructure will front onto or be located within certain lots (including the Property) within the Condominium.
- n) The garage to the dwelling, the Purchaser acknowledges that such feature is subject to the specific grading requirements of the lot and, at the time of executing this Agreement, the Vendor does not yet know whether it will be necessary to construct stairs from the garage to the dwelling and, if so, the number of steps that will be required. The Purchaser acknowledges that, depending upon the location of the access and the number of steps required to be constructed, the presence of stairs in the garage may reduce the number of cars that can be accommodated in the garage. In the event that access can be constructed with two or fewer steps, the access and stairs shall be constructed by the Vendor without notice to the Purchaser. In the event that access can only be constructed with three or more steps, the Vendor shall advise the Purchaser in writing and the Purchaser shall have seven days from receipt of such notice to advise the Vendor in writing whether or not the Purchaser wants the Vendor to construct such stairs and access. In the event that the Purchaser does not respond to the Vendor in writing within seven days, the Purchaser shall be deemed to have advised the Vendor that it wants the Vendor to construct the access and stairs, regardless of the number of steps required to be constructed and regardless that the number of steps so constructed may reduce the number of cars that can be parked in the garage. In the event that the Purchaser instructs the Vendor not to construct the access, the Purchaser shall not be entitled to any compensation or abatement to the Purchase Price.
- o) The designation of door swings, including entrance doors and doors from the garage to the interior of the Dwelling, if any, in any schedules attached hereto or sales brochures and other sales aides are conceptual only and are subject to modification without prior notice at the sole discretion of the Vendor.
- p) The Purchaser acknowledges and agrees that attic hatches or access points may be located within any location determined by the Vendor in its sole discretion, including without limitation, within any hallway, room, closet or interior wall. The location of mechanical installations may not be shown (or not shown, as the case may be) on sales documentation and will be located in accordance with approved plans and/or good construction practice and may result in room size or garage size reduction caused by the mechanicals being installed. The Purchaser acknowledges being advised by the Vendor that the Vendor has experienced a high rate of theft of air-conditioning units when they are installed prior to closing. Accordingly, the Purchaser



acknowledges that if the Agreement herein calls for the Vendor to install an air-conditioning unit, the Vendor has right to install that unit, in accordance with the Agreement, within seven (7) days after the Closing, weather permitting. The Purchaser shall not be entitled to any holdback on account of the Purchase Price notwithstanding that the air-conditioning unit is not installed at the Closing. Notwithstanding the foregoing, in the event that the Purchaser requires the air-conditioning unit to be installed prior to Closing by way of separate written request addressed to the Vendor's solicitor and the Purchaser acknowledges that the Purchaser shall assume all liability for the air-conditioning unit in the event that it is stolen after its installation prior to the Closing, and the Vendor shall not be obliged to replace same nor shall there be any adjustment in the Purchase Price with respect thereto.

- q) Where a dwelling type has a sunken foyer, landing or hallway leading to a front porch (at the front door entry), the ceiling area below the porch slab and other relevant areas will be reduced and this height may vary up or down, caused by the number of risers from the main floor to the dropped landing, as per applicable plan. Notwithstanding that the sales aids, such as a brochure, plans or sketches may refer to these areas as cold rooms, storage areas, cantinas or fruit cellars, they shall be treated and referred to as crawl space, notwithstanding that the Purchaser may be desirous of using this space for other purposes. The Purchaser hereby acknowledges these facts and accepts the Dwellings as built and will make no claims whatsoever relevant thereto. Furthermore, any reference to ceiling heights in this Agreement, the schedules attached hereto or in sales material, shall mean the approximate height and such heights will be reduced by sound attenuation features, finishes of floors and ceilings and installations such as bulkheads, etc.
- r) The Purchaser acknowledges and agrees that drainage holes may be required, as determined and where required by the Vendor, on all or any of the exterior finishing and/or cladding of the Dwelling.

RENTAL EQUIPMENT

- 28. Unless expressly provided in this Agreement, the hot water heater/tank and related equipment, and any other equipment included in any schedule attached hereto as rental equipment (the "Equipment") for the Dwelling, if any, is not included in the Purchase Price and shall remain chattel property. The Purchaser acknowledges that (i) the Equipment may be non-owned (ii) the terms governing the lease/rental for the Equipment will be provided by the Vendor prior to closing and the Purchaser may contain a buy-out option allowing the Purchaser to purchase the Equipment if desired. If any provider of the Equipment no longer rents the Equipment and if arrangements are not made with another supplier for the installation of the Equipment on rental basis, then notwithstanding anything to the contrary in this Agreement, the Purchaser shall pay, as an adjustment on closing, the cost of the Equipment, such cost to be determined by the Vendor. The Purchaser acknowledges and agrees that it shall only utilize the hot water heater/tank supplied by the Vendor within and upon the Property and the Purchaser is prohibited from installing or utilizing any other hot water heater/tank, without the Vendor's prior consent.

FINISH SELECTION AND EXTRAS

- 29.
 - a) Wherever in this Agreement the Purchaser has the right to choose colours or materials, he shall do so within seven (7) days after notification by the Vendor and the Purchaser shall make his selection of such colours and/or materials, whatever the case may be, from the Vendor's samples at the Vendor's sales office for the subject project (or such other location that may apply from time to time) and list same on the Vendor's colour selection form.
 - b) In the event that the Purchaser has the right to choose colours or materials, he shall do so within seven (7) days after notification by the Vendor and the Purchaser shall make his selection of such
 - c) Any Extras and upgrades selected by the builder as a result of the purchasers failure to select shall become due and payable on closing. Amounts payable are at the builders sole discretion.
 - d) The Purchaser acknowledges and agrees that insofar as the wood finishes, marble, stone, carpeting, tiles, kitchen cabinetry or other manufactured finishing materials installed within the Dwelling are concerned: (i) the colour, texture and/or shading of such wood finishes, carpet, tiles, kitchen cabinetry or other manufactured finishing materials may vary slightly from that of those selected by the Purchaser from the Vendor's samples, due to minor variations or shading in dye-lots produced or manufactured by the suppliers; and (ii) the colour, finish and/or grain of wood and stone products may vary slightly from that of the wood or stone selected by the Purchaser from the Vendor's samples, inasmuch as wood and stone are natural materials which inherently cannot be precisely replicated or matched with other pieces or samples, thereby accounting for variations of colour and/or grain even within the same POTL or section of wood or stone. The Purchaser shall accordingly be estopped from claiming any entitlement to an abatement in the Purchase Price, or any replacement (in whole or in part) of the carpet, tiles, kitchen cabinetry, manufactured finishing materials or wood or stone products so installed or any other relief as a result of the variations hereinbefore described or contemplated. The Purchaser acknowledges and agrees that all light coloured materials, especially flooring, may be subject to fading or yellowing after use or exposure to sunlight and such fading or yellowing will not be covered by any warranty. The Purchaser further acknowledges that light coloured and white carpeting may be subject to discolouring at walls and sub-floor joints due to the filtering process that occurs with forced air heating, generally caused by pollutants and candles and both exterior and interior air quality and is not covered by any warranty provided for herein.
 - e) The Purchaser covenants and agrees that he/she shall pay the Vendor in advance, (unless otherwise agreed in writing), for any Extras and the applicable HST and other taxes thereon ordered by the Purchaser and agrees that such payment shall be non-refundable in the event that this transaction is not completed due to any default hereunder by the Purchaser, and the Vendor may deduct the cost of such Extras, (as well as applicable HST and other taxes thereon) if not already paid for, from any deposit monies which may otherwise

be refundable. In the event that for any reason the Extras are not installed by the Vendor prior to closing, the Vendor shall be entitled to refund all or part of monies paid as appropriate and this shall be accepted by the Purchaser as full and final settlement of any claim by the Purchaser with respect to the Extras, upgrades or changes which remain incomplete as aforesaid.

- f) In the event that the Purchaser shall not have made his selection within ten (10) days after notification by the Vendor or an extended date acceptable to the Vendor, then the Vendor shall have the option of choosing the colours and materials for and on behalf of the Purchaser and the Purchaser agrees to same.
- g) In the event that the Purchaser has installed or has requested the Vendor to install a different floor covering than that which the Vendor would normally install in the dwelling, then the Purchaser agrees that if any defects should come to light for which the Vendor is normally responsible and repairs to which require the removal of the said floor covering, the Vendor will not be responsible to effect such repairs. For purposes of this Agreement "floor covering" shall mean any type of finished floor covering which is normally placed on the sub-floor and without limiting the generality of the foregoing, shall include tile, hardwood, marble, terrazzo, and carpet.

NO ACCESS UNTIL CLOSING

- 30. The Purchaser hereby acknowledges and confirms that he shall not be allowed without the specific written consent of the Vendor, (which consent may be arbitrarily withheld by the Vendor) access to the Property, for any purpose whatsoever. Once such right of access is exercised by the Purchaser with consent as aforesaid, he agrees to comply with all regulations and requirements imposed by any governmental authorities or imposed by the Vendor which may prevent, restrict or regulate such access due to health, safety or other governmental requirements or policies. The Purchaser further acknowledges and agrees that any access to the Property shall be at the Purchaser's sole risk and the Purchaser hereby forever discharges and releases the Vendor, its successors and assigns, agents, employees and contractors from any and all damages, actions and claims whatsoever that the Purchaser may have as a result of personal injury or property damage occasioned by entering onto the Property, whether such entry was with or without the Vendor's express written consent. If permitted onto the Property, the Purchaser shall not enter the Property unless accompanied by a representative of the Vendor and the Purchaser shall be responsible to provide and wear all such protective headwear and footwear and any other equipment or clothing as required pursuant to the Occupational Health and Safety Act and/or any successor or other legislation and its regulations and the Purchaser agrees to indemnify and save the Vendor harmless from and against any and all losses, liabilities, charges, damages or fines that the Vendor or its agents incur as a result of the Purchaser's breach of the foregoing, and in particular the Purchaser shall indemnify and save the Vendor, its servants and agents harmless from action, causes of the action, claims and demands for, upon or by reason or any damages, loss or injury to person or property of the purchaser, or any of his friends, relatives, workmen or agents who have entered on the Property whether with or without authorization, express or implied, of the Vendor.

OCCUPANCY AND COMPLETION

- 31. The Purchaser agrees that the Dwelling may be occupied when the requirements of the Municipality have been complied with and the Vendor has complied with the terms of the Addendum, notwithstanding that there remains exterior or other work to be completed as hereinbefore and hereinafter set out, including but not limited to completion of requirements pertaining to the Property or the Subdivision, requirements of any Development Agreement, the painting, paving of the driveway (if part of the Purchase Price), and/or any other grading, sodding and landscaping, all as hereinbefore provided.

Though the Dwelling may be occupiable by the Purchaser, the Purchaser acknowledges that the condominium development may have on-going construction activity, which construction activity may create dangers to the Purchaser and invitees, including risk of bodily harm or death. The Purchaser agrees that they must abide by all warning signs, fences and barriers and not to trespass upon areas of the Condominium that are under construction, and that in the event of any harm to the Purchaser or their invitees due to such trespassing the Purchaser shall assume full responsibility for such harm and shall indemnify the Vendor in this regard. This may be pleaded as a full estoppel by the Vendor in the event the Purchaser raises any claims related to such harm.

TITLE

- 32. The Purchaser agrees to accept title to the Property subject to the following items and the Purchaser covenants and agrees to adhere to the terms and conditions as set out therein. If requested by the Vendor the Purchaser shall accept title to the Property from any registered owner of same and shall accept that owner's title covenants in lieu of the Vendor. The Purchaser agrees to satisfy himself as to compliance with any of the following items and the Vendor shall not be obligated on Closing, or thereafter to obtain any compliances, releases or discharges with respect to any of the following items:

- a) any subdivision agreement, site plan agreement, servicing agreement, utility agreement, tree preservation agreement, development agreement, heritage agreement, front ending agreement, Section 37 Planning Act (Ontario) agreement, financial agreement engineering agreement and/or any other agreement entered into with the Municipality and/or any other governmental authority or with any public or private utility commission, including any restrictions, covenants, obligations or liabilities contained therein (collectively the "Development Agreements");
- b) any building or other restrictions and all covenants, licences, agreements, cost sharing agreements, easements, licences, Notices of Interest, Notices of Leases, Notices of Security Interests, including without limitation, restrictions implementing architectural control over the exterior finish, colour and materials of the Dwelling and/or limiting or prohibiting the installation of satellite dishes and installation or alteration of



landscaping, fence or items on the Property, whether registered now or at any time prior to the Occupancy Date and the Purchaser agrees, if required by the Vendor, to sign the transfer/deed of land containing such restrictions and covenants and to extract the same from any subsequent purchasers;

- c) a right in the nature of an easement or license for the Vendor and its respective successors and assigns and its servants and agents to enter upon the Property at any time following completion for periods of up to 10 years to permit the Vendor to carry out the obligations, if any, under the Development Agreements or as imposed by any governmental authority to effect any corrective measures with respect to the Development Agreements applicable to the Property and/or Subdivision and the transfer/deed of land may contain a clause to this effect;
 - d) all easements, rights of way, licenses or leases, permanent or temporary, as exist or may subsequently be granted in favour of the Municipality, any Governmental Authority, the Vendor, any Service Provider, the Vendor, any owner of adjacent or neighbouring lands and/or or any public or private utility, for the provision of utility services or other services to the Property or other neighbouring lands, including without limitation, telephone, electricity, natural gas, television cable, Internet, sewers, water, or other services or utilities; and, further, the Purchaser covenants and agrees to assume, accept and permit any such easements, rights of way, licenses or leases and if such easements, rights of way, licenses or leases have not been determined when the Purchaser receives his conveyance, such conveyance may contain a covenant by the Purchaser for himself, and his heirs, executors, estate trustees, successors and assigns, to grant any additional easements, rights of way, licenses or leases as may be required by the Vendor, adjacent and/or neighbouring landowner, Vendor, any Governmental Authority, Service Provider or utility and the Purchaser further covenants and agrees to execute all documents without charge which may be required to convey or confirm any such easements, right of ways, licenses or leases, etc., and shall exact a similar covenant in any agreement entered into between the Purchaser and any subsequent purchaser from him;
 - e) such easements as may be required for access/egress, construction, servicing, utilities, sewers, maintenance or encroachment purposes and the encroachments permitted thereby, all as determined by the Vendor or Vendor or as required by any Governmental Authority, provided that the party requesting such easement may not necessarily be the party designated to benefit by such easement;
 - f) such easements or rights of way over the Property as may be necessary to permit the Vendor or Vendor to construct, repair and/or maintain any dwellings and/or installations on any part of any lands owned by the Vendor and the Purchaser covenants and agrees that it shall not interfere or impede the Vendor's use and enjoyment of the aforesaid easements;
 - g) a right of re-entry or licence in favour of the Vendor to enter upon the Property at any time or times for the purposes of inspecting, maintaining and/or repairing any municipal works, services and/or facilities, for a period of ten years after closing;
 - h) easements in perpetuity in favour of any public utilities commission or authority and/or private company (the "Commission" or "Commissions") over, under, upon, across and through the Property for the purposes of facilitating the installation, operation, maintenance and/or repair of a Commission's electrical plant, water services and/or hydro-electric services (and all necessary appurtenances thereto) in order to facilitate the supply of hydro-electric service to the Property, Subdivision or any other neighbouring lands (the "Hydro/Water Easement");
 - i) easements in perpetuity in favour of any natural gas service provider (the "Gas Company") over, under, upon, across and through the Property for the purposes of facilitating the installation, operation, maintenance and/or repair of the Gas Company's gas lines (and all necessary appurtenances thereto) in order to facilitate the supply of gas service to the Property, Subdivision and/or neighbouring lands and if so requested by the Gas Company, title shall also be subject to an agreement with the Gas Company (the "Gas Agreement");
 - j) easements in perpetuity in favour of, and/or agreements, with any cable television/satellite television/internet/telephone service providers (the "Telecoms") over, under, upon, across and through the Property or the purposes of facilitating the installation, operation, maintenance and/or repair of the Telecoms' cable television/internet/satellite television/telephone lines and equipment (and all necessary appurtenances thereto) in order to facilitate the supply of cable television, satellite television, internet, telephone service services to the Property, Subdivision and/or neighbouring lands, with the Purchaser being separately billed or invoiced directly by the Telecoms for all services so consumed). The Purchaser also acknowledges that the wires, cables and fittings comprising the Telecoms are (or shall be) owned by the Telecoms;
 - k) all rights accruing to Her Majesty the Queen, any Governmental Authority and/or any third party pursuant to and/or under the patents issued in respect of the Property by the Crown;
 - l) restrictions registered pursuant to the Land Titles Act, R.S.O. 1990, as amended (and with all the items referred to in these sections (a) to (l) collectively referred to as the "Permitted Encumbrances"); and
 - m) as well as any open development, building, electrical and/or plumbing permits or approvals that pertain to the Dwelling provided that the local municipality or other regulatory authority has issued all occupancy permissions or permits or approvals as required by the Addendum in respect to the Dwelling and in this regard the Purchaser specifically agrees that any such open permit shall not comprise a title matter, a matter going to the root of title and/or shall not comprise a notice of violation and/or work order.
33. a) The title to the Property to be good and free from all encumbrances, save and except the Permitted Encumbrances as hereinbefore provided and any other registration as hereinafter provided for in this



Agreement. The title is to be examined by the Purchaser at his own expense and without the Purchaser calling for the production of any deeds or abstracts of title, surveys, proof of evidence of title or to have furnished any copies thereof, other than those in the Vendor's possession. The Purchaser is to be allowed until 15 days prior to the Closing Date hereof to examine the title at his own expense and if within that time he shall furnish the Vendor in writing with any valid objections to the title which the Vendor shall be unwilling or unable to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intermediate acts or negotiations, be null and void and the portion of the Deposit and Extras paid to the Vendor shall be returned without interest (unless interest is required pursuant to the Addendum) and the Vendor shall not be liable for any damages or costs whatsoever, including, without limiting the generality of the foregoing, loss of bargain, loss of profit, relocation costs, loss of income, professional fees and disbursements and any amount paid to third parties on account of decoration, construction or fixturing costs, unless such compensation is required pursuant to the Addendum and/or ONHWPA. Save as to any valid objections so made within such time, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Property. The Vendor shall be allowed to answer requisitions by way of a title advice statement addressed to purchasers of lands in the Subdivision.

- b) The Purchaser acknowledges that the Property is or will be encumbered by blanket mortgages and/or encumbrances which the Purchaser is not to assume and that the Vendor shall not be obliged to obtain and register (partial) discharges of such mortgages insofar as they affect the Property on the Closing Date. The Purchaser agrees to close the transaction notwithstanding the existence of such charge(s) and accept the Vendor's Solicitors' undertaking to register (partial) discharges of such mortgages in respect of the Property upon receipt, subject to the Vendor or the Vendor's Solicitors providing to the Purchaser or the Purchaser's solicitor the following:
- i) a mortgage statement or letter from the mortgagee(s) (or from their respective solicitors) confirming the amount, if any, or the terms if an amount is not applicable, required to be paid to the mortgagee(s) to obtain (partial) discharges of the mortgages with respect to the Property;
 - ii) a direction from the Vendor to the Purchaser to pay such amounts to its solicitors in trust and/or the mortgagee(s) (or to whomever the mortgagees may direct) on the Closing Date to obtain a (partial) discharge of the mortgage(s) with respect to the Property; and
 - iii) an undertaking from the Vendor's Solicitors to deliver such amounts to the mortgagees and to register the (partial) discharge of the mortgages with respect to the Property upon receipt thereof and to advise the Purchaser or the Purchaser's solicitor concerning registration particulars which notification can be performed by posting same on the world wide web in a location given to the Purchaser or his solicitor.
- c) The Purchaser shall, both before and after closing, also grant and execute any and all temporary or permanent easement(s) for the installation and/or maintenance of private and/or municipal utility or other services to the Property, or to adjacent or neighbouring properties, in favour of any governmental authorities, private and/or public utilities and/or service providers and/or to adjacent or neighbouring land owners (including without limitation, any easement(s) for maintenance purposes for all lots within the plan of subdivision where less than 1.2 meter side yards are being provided), as well as easements for roof overhangs and eaves troughs and easements, forthwith upon the Vendor's request. In addition the Purchaser shall at the request of the Vendor, provide on Closing a transfer or transfers of easements in favour of any adjacent lands for overhead crane swings, facilitating the installation of shoring or foundations, installing and maintaining piles and/or tie-back installations, temporary working easements for construction on adjacent lands and/or the installation of temporary hoarding on the rear yard of the Lot as required in connection with any of the previously set out easements. The Purchaser shall procure any Planning Act consents and postponements from any holders of any mortgage or encumbrance registered on the Property by which such mortgage or encumbrance is postponed to any such easements, and the Purchaser shall be responsible for all costs and expenses in granting, procuring or registering such easements or postponements (including without limitation the cost of obtaining Planning Act consents). The Purchaser acknowledges and agrees that due to the proximity of the Dwelling to adjacent Dwellings or structures, minor encroachments may exist with respect to eaves and/or exterior walls of certain dwellings, fences or other structures and the Purchaser specifically acknowledges and agrees to accept title to the Property subject to any such encroachments and such encroachments shall be deemed to be a "Permitted Encroachment" as defined above.
- d) Other than is required pursuant to the Addendum, the Vendor shall not be obliged to provide any title deeds, abstract, occupancy permits or certificates, surveys, grading certificates, or any other evidence of title or that the Dwelling may be legally occupied, and the Purchaser shall satisfy himself that the Dwelling may be occupied in accordance with municipal requirements. The Purchaser agrees to accept a transfer of title to the Property directly from the registered owner thereof, and to accept such owner's title covenants in lieu of the Vendor's title covenants, in the event that the Vendor is not the registered owner of the Property on closing, provided that the Vendor shall be obliged to provide such further and other covenants and undertakings as the Purchaser may be entitled to pursuant to this agreement.

PLANNING ACT

34. This Agreement shall be effective to create an interest in the Property and/or Lot only if there is compliance with the subdivision control provisions as set out in the Planning Act, R.S.Q., 1990 and any amendments thereto, including without limitation Section 50 thereof, on or before the Occupancy Date.



MANNER OF PURCHASER'S TITLE

35. The Purchaser agrees to advise the Vendor or its solicitors within 15 days of acceptance of this Agreement of the manner in which title is to be taken by the Purchaser, failing which the Vendor shall be entitled to endorse title to the Purchaser as set out in accordance with this Agreement.

HOT WATER TANK / CATV/ TELEPHONE

36. The Purchaser acknowledges that the Property and Dwelling is serviced by a rental hot water tank or heater (the "HWT") and same is not included in the Purchase Price. The HWT is rental equipment and the Purchaser shall assume the rental and lease of the HWT on Closing and shall pay all appropriate rental charges associated therewith, plus all applicable taxes, and that same will not form part of the purchase and/or the Purchase Price but will remain chattel property of the HWT equipment provider and the Purchaser agrees to execute a rental contract for the HWT, if necessary. The Purchaser also agrees to be bound by any arrangements made with local CATV/ internet/telephone suppliers.

COSTS OF REGISTRATION AND TAXES

37. The transfer/deed of land shall be prepared at the Vendor's expense and may contain any or all of the provisions set forth in this Agreement and shall be executed by the Purchaser, if required by the Vendor, and the Purchaser shall execute and deliver on the Occupancy Date or Closing Date a covenant, undertaking or agreement incorporating all or any of the terms contained herein or as may be required by the Vendor. The Purchaser undertakes and agrees to register the transfer/ deed at his expense on the Occupancy Date at the time of Closing and agrees to pay the land transfer tax in connection with the registration of the transfer/deed.

RISK UNTIL CLOSING

38. All buildings and equipment comprising the Dwelling and the Property shall be and remain at the risk of the Vendor until Closing Date. Provided that from and after the Occupancy Date, if same occurs prior to the Closing Date, the Purchaser shall provide the Vendor with proof of liability insurance as provided for herein and shall be responsible for obtaining and maintaining any insurance for his/her personal property and contents. Subject to the terms of the Addendum to the contrary, in the event of damage to the Dwelling or Property prior to the Occupancy Date, the Vendor may either repair the damage, finish the Dwelling and complete the sale or may terminate this Agreement and have the Deposits and Extras paid by the Purchaser to the Vendor returned to the Purchaser (together with any interest required by law) and the Vendor shall thereupon be released from its obligations hereunder. It is understood and agreed that the proceeds of all insurance policies held by the Vendor are for the benefit of the Vendor alone. These provisions are subject to any overriding provisions in the ONHWPA, its regulations and/or the Addendum to the contrary.

EXECUTION OF DOCUMENTS

39. a) The Purchaser hereby irrevocably constitutes and appoints the Vendor to be and act as his lawful attorney, in the Purchaser's name, place and stead, in order to execute the PDI Form, Tarion deposit receipt and new housing application form for the HST Rebate (if applicable) or any other documents comprising prescribed security for deposits, together with any other ancillary documents required to be executed in order to procure any available Rebate(s) of the HST applicable in connection with this transaction, as well as any deposit insurance policy (and related documents) if any. Each of the individuals comprising the Purchaser, if more than one (hereinafter referred to as the "Donor") hereby constitutes and appoints the other (hereinafter referred to as the "Donee") to be and act as the Donor's lawful agent and attorney, in order to receive such notices provided in the Addendum, and/or for the purposes of receiving notices required or desired to be delivered by the Vendor in accordance with this Agreement, acknowledging receipt of warning clause notices or of the inclusion of same within this Agreement, covenanting to indemnities required by the governmental authorities. Provided that this shall not apply in the event that any Purchaser is released from this Agreement prior to the Occupancy Date or termination. In accordance with the provisions of The Powers of Attorney Act R.S.O. 1990 as amended and/or The Substitute Decisions Act, S.O. 1992, as amended, the Purchaser hereby confirms and agrees that the powers of attorney set out herein may be exercised by the attorney so appointed during any subsequent legal incapacity of the Purchaser, and may and shall only be revoked upon the death of the party giving such power of attorney or as aforesaid. Each power of attorney as granted in this agreement shall be deemed to be coupled with an interest.
- b) 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 Property is registered, and a duplicate registered copy thereof (together with a statutory declaration sworn by the attorney or the Purchaser's solicitor confirming that said power of attorney has not been revoked) shall be delivered to the Vendor along with such documents. Where a third party has been appointed as the attorney for the Purchaser, then any notices required or desired to be delivered to the Purchaser in accordance with the terms and provisions of this Agreement, may be given to the said attorney, in lieu of the Purchaser or the Purchaser's solicitor (and shall be deemed to have been received by the Purchaser when so delivered to his attorney).
- c) Where the Purchaser herein is a corporation, or where the Purchaser is buying in trust for 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 for a corporation to be incorporated, as the case may be, shall be deemed and construed to constitute the personal guarantee of such person or persons so signing with respect to the obligations of the Purchaser herein. The Vendor's consent allowing a corporate purchaser to purchase a Dwelling shall not derogate from such Purchaser's obligation to reimburse the Vendor for an

amount equivalent to the Rebate (as defined herein) in the event that such corporate purchaser does not qualify for the Rebate.

EXECUTION BY A SPOUSE

40. If the Purchaser is a married person, his or her spouse shall co-sign this Agreement to ensure the performance of the covenants hereunder including, inter alia, the payment of the Purchase Price, together with any other documents that may be required by the Vendor as ancillary thereto, including without limitation, the execution of a counterpart of this Agreement (adding the said spouse as a party to this Agreement) and the Purchaser agrees to deliver such documentation as and when requested by the Vendor.

TENDER AND EXCHANGE OF DOCUMENTS

41. a) The parties acknowledge that on the Closing Date this transaction shall be completed electronically and accordingly there will be no exchange of documents at the Land Registry Office between the parties or their respective solicitors. Any tender of documents or monies hereunder, including those required to be exchanged on the Closing Date, shall be made respectively upon the Vendor or the Purchaser, or upon their respective solicitors, as hereinafter set out and any money shall be tendered by certified solicitor's trust cheque, bank draft from a bank or trust or loan corporation or wire transfer using the LVTS system from a chartered bank or trust company. The Vendor shall be allowed to tender and deliver documentation to the Purchaser by posting the documentation required to be delivered to the Purchaser on the Closing Date on an internet web site on the world wide web, and providing notice to the Purchaser and/or his/her solicitor of the method of accessing such documents on such internet site and the internet address of such web site, or by electronic mail or telefacsimile and the Vendor shall be entitled to charge the Purchaser the costs of any upload costs for the use of such web site or delivery costs. The Vendor shall not be obliged to provide originals of such documents. In the event the Vendor's documents are posted on such site, said documents may be executed electronically in accordance with the *Electronic Commerce Act (Ontario)* and the posting of such documentation, electronically signed where required, and the notification to the Purchaser's solicitor or the Purchaser of where on the intra-net and/or world wide web such documents can be accessed, shall be deemed to effective tender of such documents on the Purchaser and/or their solicitor, as hereinbefore set out. Notwithstanding anything set out herein to the contrary, any tender upon the Vendor on the Closing Date must be made at the offices of its solicitor during normal business hours, which shall be deemed to be 9:00 a.m. to 4:00 p.m. on any business day (excluding weekends and statutory holidays).
- b) The Purchaser shall deliver on the Closing Date, such declarations, certificates, affidavits, undertakings, indemnities, directions, forms, documents, certificates and other documents as required by the Vendor in its discretion, as well as all monies and funds as may be required herein (by way of certified cheque, bank draft, wire transfer, etc., as provided for in this Agreement), including inter alia, the "Requisite Deliveries" as defined in the Document Registration Agreement governing closing, to the Vendor or Vendor's solicitor (as determined by the Vendor) by no later than 3:00 p.m. on the Closing Date as the case may be. In the event that the Purchaser or his solicitor has not delivered the Requisite Deliveries and/or monies as hereinbefore set out at such location and by the later of such time as stipulated in this Agreement, then the Purchaser shall be deemed for all purposes to have waived tender by the Vendor, and the Purchaser shall be estopped and forever barred from claiming any defect in the title to the Property, or any deficiency in the construction thereof, or that the Vendor was unable or unwilling to provide occupancy of the Dwelling and/or complete this transaction in accordance with the provisions of this Agreement.

ELECTRONIC REGISTRATION

42. a) parties hereto agree that if the electronic registration system (the "Teraview Electronic Registration System" or "TERS") is operative in the applicable Land Titles Office, then, at the option of the Vendor's solicitor, the following provisions shall prevail, namely:
- i) the Purchaser shall be obliged to retain a lawyer, who is both an authorized TERS user and in good standing with the Law Society, to represent the Purchaser in connection with the completion of this transaction, and shall authorize such lawyer to enter into an escrow closing agreement with the Vendor's solicitor on the latter's standard form (the "Document Registration Agreement"), establishing the procedures and timing for completing this transaction and to be delivered by the Vendor's solicitor to the Purchaser's lawyers no later than 7 days before the Occupancy Date.
 - ii) the delivery and exchange of documents, monies and keys to the Dwelling (and with "exchange" being the delivery of documents, monies and keys by each of the parties hereto as provided for in this Agreement), and the release thereof to the Vendor and the Purchaser, as the case may be:
 - a) shall not occur at the same time as the registration of the transfer/deed (and other registerable documentation);
 - b) shall be governed by Document Registration Agreement, pursuant to which the solicitor receiving any 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 Documentation Registration Agreement;
- b) the Purchaser shall be obliged to deliver all documents and funds as may be required to close the transaction to the office of the Vendor's solicitor on or before the Closing Date in accordance with the tender provisions of this Agreement;

- c) the Vendor may deliver all documents required for closing on the Closing Date save and except for the electronic deed, to the Purchaser's solicitor, with the Vendor's documents executed electronically in accordance with the Electronic Commerce Act 2002 (Ontario);
- d) If the Purchaser's lawyer is unwilling or unable to complete this transaction via TERS, in accordance with the provision contemplated under the Document Registration Agreement, then said lawyer (or the authorized agent thereof) shall be obliged to personally attend at the office of the Vendor's solicitor, at such time on the scheduled Closing Date and/or Occupancy Date as may be directed by the Vendor's solicitor, in order to complete this transaction via TERS utilizing the computer facilities in the Vendor's solicitors office;
- e) the Purchaser expressly acknowledges and agrees that he or she will not be entitled to receive a completed electronic transfer/deed to the Dwelling for release and registration until the balance of the funds due on closing (as well as all other documents as may be required by the Vendor), in accordance with the statement of adjustments, are either remitted by certified cheque via personal delivery or by electronic funds transferred to the Vendor's solicitor (or in such other manner as the latter may direct) at its offices, prior to the release of the transfer/deed for registration;
- f) documents to be registered on title to the Dwelling may be delivered by the Vendor to the Purchaser or its solicitor party hereto by telefax or email (or by a similar system reproducing the original), provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto. The Purchaser and/or its solicitor shall be obliged to provide the Vendor with a copy of the registered transfer forthwith after the Closing Date;
- g) 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: delivered all closing documents and/or funds to the Purchaser's solicitor in accordance with the provisions of this Agreement (including delivery of such documents via the internet); and 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 co-operation or participation of the Purchaser's solicitor without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents and/or funds [and without any requirement to have an independent witness evidencing the foregoing]. If TERS is not used for the completion of this transaction then an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has electronically and/or personally delivered all closing documents and deliveries to the Purchaser's solicitor in accordance with the provisions of this Agreement without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents and deliveries [and without any requirement to have an independent witness evidencing the foregoing]. The parties acknowledge and agree that keys are not included in the deliveries and are to be released at the office or on-site office of the Vendor once the transaction contemplated herein is completed and therefore will not be available with the exchange of documents, deliveries and funds, and are accordingly not required for a tender.

RELEASE OF KEYS

- 43. Keys will be released to the Purchaser at the construction site or the sales office or the head office of the Vendor, as the Vendor in its absolute discretion determines, unless otherwise specifically agreed in writing between the Vendor and the Purchaser. The Purchaser agrees that the Vendor's advice that keys are available for release to the Purchaser constitutes a valid tender of keys on the Purchaser. Upon completion of this transaction, if the Purchaser fails to attend to pick up the keys by five o'clock (5:00) p.m. on that day, the Vendor may retain the keys and release same to the Purchaser on the next business day.

FORCE MAJEURE

- 44. Whenever (and to the extent that) the Vendor or Vendor are prevented, hindered or delayed in the fulfilment of any obligation hereunder, or in the doing of any work by reason of an "act of force majeure" or incident causing "Unavoidable Delay", then, save and except to the extent as provided for or restricted in the Addendum to the contrary, such party's liability to perform such obligation shall be postponed, and such party shall be relieved from any liability in damages or otherwise for breach thereof, for so long as (and to the extent that) such prevention, hindering or delay continues to exist. This right is intended to provide for those instances or situations not provided for in the Addendum, if any. An incident of "force majeure" shall have the same meaning as an incident comprising "Unavoidable Delay" as defined in the Addendum.

NON-REGISTRATION, ASSIGNMENT AND POSTPONEMENT AND SUBORDINATION

- 45. a) The Purchaser hereby acknowledges the full priority of any construction financing or other mortgages arranged by the Vendor and secured by the Property over his interest as Purchaser for the full amount of the said mortgage or construction financing, notwithstanding any law or statute to the contrary and agrees to execute all acknowledgements or postponements required to give full effect thereto. Without limiting the generality of the foregoing, the Purchaser agrees that this Agreement shall be subordinated to and postponed to the mortgage(s) assumed and/or arranged by the Vendor (and presently registered or to be registered on title to the Property) and any advances made thereunder from time to time, and to any easements, Development Agreements or any other agreements referred to herein to which title may be subject. The Purchaser agrees to execute all necessary documents and assurances to give effect to the foregoing as required by the Vendor. Any breach by the Purchaser of this section shall be considered a material breach.



The Purchaser further covenants and agrees that he will in no way, directly or indirectly, assign, convey, list for sale, sell or transfer his rights under this Agreement prior to the Closing Date to any other person without the consent of the Vendor in writing, which consent may be withheld in the Vendor's sole discretion, and that he will at no time register or attempt to register this Agreement on title to the Property by way of caution, deposit, assignment or in any way whatsoever, or register a certificate of pending litigation and it is expressly agreed by all parties hereto that any such registration or attempt by the Purchaser or anyone acting for or through him shall, at the option of the Vendor, entitle the Vendor to terminate this Agreement and make it absolutely null and void and any monies paid under this Agreement, including inter alia all deposit monies together with all monies paid for any Extras or changes to the Property, may be retained by the Vendor as its liquidated damages, and not as a penalty, in addition to (and without prejudice to) any other rights or remedies available to the Vendor at contract, law or equity. In the event that this Agreement, a caution, certificate of pending litigation or any other instrument whatsoever is registered against or dealing with the title in contravention of this provision, then the Purchaser hereby appoints the Vendor his true and lawful attorney pursuant to The Powers of Attorney Act R.S.O. 1990, as amended and/or The Substitute Division Act 1992, as amended for the purposes of removing the contract, caution, certificate of pending litigation or any other instrument from title, including the giving of any discharge, the lifting of any caution, the granting of any order or the assignment of any rights pursuant to this Agreement and this power of attorney shall be deemed to be coupled with an interest. The Purchaser shall bear all costs incurred by the Vendor in the exercise of its function pursuant to this power of attorney. Further, the Purchaser hereby covenants and agrees that at any time prior to Closing Date any default by him in the performance of any of his covenants or obligations contained herein shall entitle the Vendor, at its sole option, to terminate this Agreement and, upon such termination, all monies paid to the Vendor hereunder shall be forfeited to the Vendor and this Agreement shall be at an end and the Purchaser shall not have any further rights hereunder. The Vendor shall have the right to assign this Agreement, provided that any such assignee shall be bound by all of the covenants made by the Vendor herein, and upon such assignment, the Vendor shall thereupon be released from all obligations hereunder, unless provided for in the Addendum to the contrary.

- b) The Purchaser further covenants and agrees that until the Vendor receives the entire Purchase Price, that:
- i) he will not sell, mortgage, pledge, lien or in any way encumber the Property either directly or indirectly;
 - ii) If an execution is filed against him/her and/or the Property he/she will forthwith have the execution removed;
 - iii) If an execution is registered against person(s) with a similar name(s), he/she shall execute all documents required by the Vendor in its discretion, to evidence that he is not the same person(s) named in such execution(s), sufficient to enable the Vendor to obtain a clear execution certificate from the local Land Titles Office.

CONFIDENTIALITY

46. From the date of execution of this Agreement by the Purchaser until December 31, 2021 the Purchaser covenants and agrees to keep secret and confidential all Confidential Information (as hereinafter defined) and will take all steps and institute any secrecy procedures which may be necessary to maintain the secrecy of the Confidential Information and further agrees that it shall not use the Confidential Information except in connection with the performance of his or her obligations under this Agreement. As used herein, the term "Confidential Information" shall mean all information with respect to this Agreement, the fact the Purchaser has entered into this Agreement, the Schedules attached to and forming part of this Agreement and the Condominium disclosure documents provided to the Purchaser by the Vendor upon entering into this Agreement. The Purchaser may provide Confidential Information to its lawyer and to its lender for the purpose of meeting its obligations under this Agreement but to no other party. Confidential Information shall no longer be considered Confidential Information if such information becomes public information or generally available to the general public, or if the Purchaser is required by law to divulge such information. In the event the Purchaser breaches this covenant and agreement to keep the Confidential Information secret the Vendor shall have the right to terminate this Agreement and retain the Deposits as liquidated damages and the Purchaser agrees it shall not contest or challenge such termination and this paragraph may be used as a bar against the Purchaser taking any such action.

DEFAULT AND REMEDIES

47. In the event that the Purchaser defaults on any of his obligations contained in this Agreement, makes any assignment to creditors, files for bankruptcy or files any consumer proposal or becomes insolvent on or before Closing, including without limitation, breaching or failing in the performance or observance of any covenant, term, agreement, restriction, stipulation or provision of this Agreement to be performed and/or observed by the Purchaser or if there is any lien, execution or encumbrance arising from any action or default whatsoever of the Purchaser being charged against or affecting the Property, and such Purchaser fails to remedy such default forthwith upon request, then the Vendor, in addition to any other rights or remedies this Agreement provides, 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 Dwelling as hereinbefore provided or contemplated), and/or unilaterally declare the Purchaser in default and/or this Agreement to be terminated and of no further force or effect, whereupon, save and except as provided in the Addendum to the contrary, all Deposits and Extras theretofore paid, together with all interest accrued thereon at the prescribed rate, if any, shall be retained by the Vendor as its liquidated damages, and not as a penalty, in addition to (and without prejudice to) any other rights or remedies available to the Vendor at law or in equity. Notwithstanding and in addition to the foregoing, the Purchaser acknowledges and agrees that time shall be of the essence with respect to all payments to be made by the Purchaser to the Vendor pursuant to this Agreement. In

the event that the Purchaser is in default with respect to the payment of any amount owing by the Purchaser to the Vendor pursuant to this Agreement, the Vendor shall have the right to declare this Agreement null and void or, provided the Purchaser satisfies the Vendor that the Purchaser will complete the transaction, the Vendor may (but shall have no obligation to) elect to complete the transaction of purchase and sale contemplated by this Agreement provided that the Purchaser shall pay interest on the amounts which are in arrears calculated at the rate of 18% per annum commencing on the date on which such amount was due and payable by the Purchaser to the Vendor until the date on which all arrears are paid in full plus all additional legal and other expenses incurred by the Vendor. In the event that this agreement is terminated as hereinbefore set out, the Purchaser shall be obliged to execute such releases and any other documents or assurances as the Vendor may require, in order to confirm that the Purchaser, in accordance with the terms of this Agreement, does not have (nor could be deemed or construed to have) any interest whatsoever in the Property and/or this Agreement, and in the event the Purchaser fails or refuses to execute same, the Purchaser hereby appoints the Vendor to be his 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 and/or The Substitute Decisions Act, 1992, 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.

48. The Purchaser acknowledges and agrees that notwithstanding any rights which he might otherwise have at law or in equity arising out of this Agreement, he shall not assert any of such rights, nor have any claim or cause of action (as a result of any matter or thing arising under or in connection with this Agreement) 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 found to be a nominee or agent 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 or proceeding brought by the Purchaser to assert any of such rights, claims or causes of action. In the event the Vendor's solicitor is holding any of the Deposits and/or Extras in trust pursuant to this Agreement, then in the event of a default by the Purchaser, the Vendor's solicitor shall be entitled to pay and release to the Vendor the said Deposits and/or Extras together with any interest accrued thereon, provided the Vendor has delivered to its solicitors a statement of an officer of the Vendor, certifying that the Purchaser has committed a default pursuant to this Agreement that has not been remedied and that the Vendor has terminated this Agreement and that the Vendor is therefore entitled to the deposit and accrued interest, if any. The Purchaser hereby releases the said solicitors from any obligation to hold the Deposits and/or Extras, if any, in trust, and shall not make any claim whatsoever against the said solicitors and the Purchaser hereby irrevocably authorizes and directs the said solicitors to deliver the said deposit monies and accrued interest, if any, to the Vendor.
49. 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 or for optional upgrades, changes or extras ordered by the Purchaser, save and except as provided for in the ONHWPA, its regulations or the Addendum to the contrary. In addition the Purchaser acknowledges that the Vendor shall not be liable for any damages, losses, liabilities or costs whatsoever incurred by the Purchaser resulting from the termination of this Agreement including, without limiting the generality of the foregoing, relocation costs, professional fees and disbursements, opportunity costs, loss of bargain, loss of future profit, or any other damages or costs incurred by the Purchaser, directly or indirectly. The Purchaser acknowledges and agrees that this provision may be pleaded by the Vendor as a complete defence to any claim which may be made by the Purchaser against the Vendor. It is understood and agreed by the parties that if construction of the Unit is not completed in accordance with the provisions of this Agreement on or before the Occupancy Date, or any extension thereof, the Vendor's responsibility shall only be limited to those delayed compensation costs, damages and expenses (if any) that the Purchaser may claim pursuant to the ONHWPA and/or the Addendum.

LIMITATION

50. No waiver by the Vendor of any breach of covenant or default in the performance of any obligation hereunder or any failure by the Vendor to enforce its rights herein shall constitute any further waiver of the Vendor's rights herein, it being the express intent of the parties that any waiver or forbearance in enforcing its rights by the Vendor shall apply solely to that particular breach or failure. The rights, remedies and recourses of the Purchaser in connection with this Agreement are limited to the Vendor, notwithstanding that the Vendor may be, or be deemed to be by law, acting as an agent or otherwise on behalf of some other person, firm, corporation or other entity and the Purchaser hereby agrees that with respect to this Agreement it shall not have any rights, remedies or recourse against such other person, firm, corporation, or other entity at law or otherwise. The Vendor shall have the right to assign or transfer this Agreement in its sole discretion. The Purchaser shall be obliged to take title from any third party or the Vendor holding title to the Property.

NOTICES AND IRREVOCABLE DATES

51. a) Any notice or document required or desired to be given to the Purchaser in accordance with the terms of the Addendum shall be delivered in accordance with the terms of such Addendum. For all other notices ("Non-Addendum Notices"), if any, notice shall be deemed to have been sufficiently given if same is in writing (electronically or on paper), and either personally delivered to the Purchaser or to his solicitor (at the address of the Purchaser or the Purchaser's solicitor as in this Agreement, or as subsequently confirmed by the Purchaser or the Purchaser's solicitor after the acceptance of this offer), or mailed by prepaid ordinary post or by registered mail, or sent by facsimile transmission, addressed to the Purchaser or to his solicitor (as the case may be) and/or delivered by electronic mail, and any such document or notice shall be deemed to have been given on the date of personal delivery, or on the date of telefacsimile transmission or electronic mailing (provided a confirmation of transmission receipt is produced at the time of telefacsimile transmission and/or a delivery receipt in respect of the electronic mailing is produced confirming the date and time of such electronic mailing), or on the date of registered mailing, or on the second day (excluding Sundays and statutory



holidays) after the date of ordinary mailing, as the case may be. In addition, any closing document required or desired to be given to the Purchaser by the Vendor on the Closing Date shall be deemed to have been sufficiently given if same is posted on a web site and the Purchaser has been notified of such posting by notice confirming same delivered by personal delivery, telefax, electronic mail, registered and/or ordinary mail in accordance with the terms set out above. Any Non-Addendum Notices sent to the Purchaser and/or his or her solicitor at the address, telefacsimile number and/or e-mail address provided by the Purchaser and/or his or her solicitor shall be deemed to have been delivered to all of the Purchasers even if he/she/they do not reside at such municipal address or share or have access to such e-mail address, and the Purchaser specifically appoints that Purchaser residing at such address or controlling such e-mail address as his/her/their agent for receiving notices under this Agreement.

- b) Any Non-Addendum Notices or document desired or required to be given to the Vendor shall be deemed to have been sufficiently given if same is in writing and personally delivered or telefaxed to an officer of the Vendor at the address noted below (or at such other address as the Vendor may designate from time to time, upon notice being given to the Purchaser or the Purchaser's solicitor as hereinbefore provided), with a copy of same to be personally delivered or telefaxed to the Vendor's solicitor, and any such document or notice shall be deemed to have been given on the date of such personal delivery, or on the next day (excluding Saturdays, Sundays and statutory holidays) following the date of facsimile transmission (provided a confirmation of transmission receipt is produced at the time of facsimile transmission). Notwithstanding the foregoing, this provision shall not apply to the exchange of electronic documents created in TERS between the respective solicitors for the Vendor and Purchaser, and such exchange of electronic documents shall take place utilizing TERS and the electronic transmission format required herein, and documents messaged or access permitted through the TERS system shall be deemed to have been delivered on the date and time same were messaged and/or released as such date is shown on the TERS system. Any documents messaged after 5:00 p.m. (Toronto time) shall be deemed to be delivered and received on the next day that TERS system is available for the registration.
- c) This offer by the Purchaser, constituted by his/her/their execution of this Agreement, shall be irrevocable by the Purchaser until the 5th day (excluding Saturday, Sunday or any statutory holiday) following the date of his execution of this Agreement as set forth below, after which time, this offer may be withdrawn, and if so, same shall be null and void and the Deposit shall be returned to the Purchaser without interest or deduction.
- d) If the Purchaser moves from the address set out on the Addendum and/or changes any of the relevant contact information provided on the Addendum and fails to notify the Vendor of the change or new contact information, then delivery of such notices shall be deemed to be effective if made to the address, fax number or email address as set out on the Addendum even if the Purchaser does not receive notice of same.

CONSTRUCTION LIENS

- 52. The Purchaser acknowledges and agrees that the monies paid to the Vendor as Deposits or Extras, shall not be recognized and treated for the purposes of *The Construction Lien Act R.S.O. 1990, as amended*, as monies held in trust pursuant to the provisions of the Act. The Purchaser shall be deemed and construed to be a "home buyer" within the meaning of *The Construction Lien Act R.S.O. 1990, as amended* (and shall not constitute an "owner" as defined in Section 1(1) thereof), and as such, the Purchaser shall not be entitled to demand that any holdback of the Purchase Price be maintained for construction liens on the Closing Date.

TIME OF THE ESSENCE

- 53. Time shall be of the essence of this Agreement in all respects, and any waiver, extension, abridgement or other modification of any time provisions shall not be effective unless made in writing and signed and exchanged by the parties hereto or by their respective solicitors who are hereby expressly authorized in that regard.

NON-MERGER, VENDOR'S LIEN

- 54. The Purchaser's covenants and agreements hereinbefore and hereinafter contained shall not merge on the Closing, but shall remain in full force and effect according to their terms and shall be binding upon the Purchaser and its heirs, executors, administrators, successors and assigns, notwithstanding the conveyance of title to the Property to the Purchaser and the payment of the Purchase Price and other monies therefor. The Purchaser agrees to give to the Vendor any further written assurances as to the non-merger of its covenants, on, before and after closing, if so requested by the Vendor. The Purchaser acknowledges and agrees that the Vendor may reserve a Vendor's lien, in accordance with the Vendor's usual form, to secure any unpaid portion of the Purchase Price and/or any other monies owing to the Vendor by the Purchaser in connection with this transaction (including all remedial rectification costs incurred by the Vendor) and may register a caution or a notice of such Vendor's lien against the Property. The Vendor will however, upon request, deliver to the Purchaser (for registration at the Purchaser's expense) a release of the Vendor's lien or a withdrawal of caution but only after all monies owing to the Vendor by the Purchaser have been duly paid to the Vendor by the Purchaser, including without limitation, the repayment of any adjustments resulting from this transaction.

CONSUMER REPORTS

- 55. The Purchaser is hereby notified that a consumer report containing credit and/or personal information may be referred to at any time in connection with this transaction and the Purchaser hereby consents to such report being obtained by the Vendor.

PRIVACY MATTERS



56. The Purchaser hereby acknowledges that this transaction requires the supply of personal information, and therefore, in order to comply with any and all applicable federal and/or provincial privacy legislation (including without limitation, The Personal Information Protection and Electronic Documents Act S.C. 2000, as amended), the Purchaser hereby consents to the Vendor's collection, dissemination, and use of the Purchaser's personal information, including without limitation, the Purchaser's name, home and business address, personal and business e-mail address, telefax/telephone number, age, date of birth and marital status, residency status, social insurance number (for the purposes described below), the Purchaser's financial information, suite design(s) and colour/finish selections, in connection with the completion of this transaction and for post-closing and after-sales customer care purposes and future marketing purposes, and to the disclosure and/or distribution of any or all of such personal information to the following entities, on the express understanding and agreement that the Vendor shall not sell or otherwise provide such personal information to anyone other than:
- a) any companies or legal entities that are associated with, related to or affiliated with the Vendor (or with the Vendor's parent/holding company) and are developing one or more other projects or properties 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;
 - b) one or more third party sales, marketing, advertising and/or data processing companies which handle or process sales and/or 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 projects and/or related services to the Purchaser and/or members of the Purchaser's family;
 - c) 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, including without limitation, the Vendor's construction lender(s), the project monitor, the Vendor's designated take-out lender(s), Tarion and/or any warranty bond provider and/or excess deposit insurer, required in connection with the development and/or construction financing and/or the financing of the Purchaser's acquisition of the Property from the Vendor;
 - d) any insurance companies providing (or wishing to provide) insurance coverage with respect to the Property (or any portion thereof), including without limitation, 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;
 - e) any contractors, subcontractors, trades, subtrades, suppliers and/or sub-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 home constructed upon the Property and the installation of any extras or upgrades ordered or requested by the Purchaser;
 - f) one or more providers of cable television, telephone, telecommunication, hydro-electricity, chilled water/hot water, gas and/or other similar or related services to the Property (or any portion thereof) and/or any other companies involved with the provision of metering or submetering services for utilities supplied to the Property and/or any equipment supplier supplying equipment to the home constructed upon the Property;
 - g) any relevant governmental authorities or agencies, including without limitation, the Land Titles Office, the Ministry of Finance for the Province of Ontario (ie with respect to Land Transfer Tax), and Canada Revenue Agency (ie with respect to the HST);
 - h) Canada Revenue Agency, with respect to any information required to be provided to them in connection with the residency or non-residency status of the Purchaser and/or as may be required in respect of any goods or services taxes issue; and
 - i) the Vendor's solicitors, for the purposes of completing this transaction and reporting same to the Vendor and/or any requisite Governmental Authority (including the Municipality for the purposes of amending property tax records).

FINANCIAL TERMS

57. Provided that same does not contravene or is provided for in the Addendum, the Purchaser agrees to deliver to the Vendor or the Vendor's designated lender, within 5 days of the acceptance of this Agreement by the Vendor, and thereafter as requested from time to time, 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 completion of the sale transaction, 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. The Purchaser further agrees to execute all mortgage application forms and provide all financial information and confirmations as required by the Vendor from time to time, together with all documents required to comply with the provisions of The Family Law Act R.S.O. 1990, as amended, all within five days of any written request for same. The Purchaser agrees to complete and execute the mortgage application and financial disclosure forms requested by the Vendor truthfully and to the best of his/her ability, and the Purchaser acknowledges that the information, evidence and documents required to be provided by him pursuant to this subparagraph may be required to be furnished to the Vendor from time to time prior to the Occupancy Date. The Purchaser hereby specifically authorizes and directs any mortgagee or financial institution giving the Purchaser purchase financing for the Property, to provide to the Vendor a copy of all mortgage commitments/financial disclosure in respect of same and all revisions thereto, together with all other associated documentation. In the event that the Purchaser fails to submit the information, evidence and/or

documents for approval within the time periods as hereinbefore set forth as and when requested by the Vendor, or if the information, evidence and/or documentation submitted pursuant to the provisions of this Agreement or any amendment thereto is, in whole or in part, false or misleading, or if the Purchaser fails to disclose any relevant facts pertaining to his financial circumstances or abilities, then the Purchaser shall be deemed to be in default under this Agreement, and the default provisions of this Agreement shall apply.

DEVELOPMENT MATTERS AND REZONING OF ADJACENT LANDS

58. The Purchaser acknowledges that the Vendor or the Vendors' assigns or related or affiliated corporation(s), or the Vendor, may apply to rezone or subdivide or amend the Official Plan and/or obtain site plan approval with respect to lands within, or adjacent to or in the neighboring vicinity of the lands contained within the plan of subdivision encompassing the Property and/or any lands within the Municipality, County or Region in which the Property is situated, and the Purchaser hereby covenants and agrees that it shall not oppose any such official plan amendment, rezoning, condominium and/or subdivision application(s), site plan approval applications, or any other applications ancillary thereto, including without limitation, any application(s) made for a minor variance before the relevant Committee of Adjustment or any other governmental body or authority having jurisdiction so as to enable the Vendor or its nominee to sever lands, grant easements, change the set back requirements of such lands, the present use of such lands or any part thereof, or to vary the density coverage, dwelling count, size of lots or yield thereof, or for any other lawful purpose, and the Purchaser further acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto. The Purchaser further covenants and agrees to extract a covenant similar to the foregoing from its immediate successors in title to the Property, and shall specifically include such a restrictive covenant in any subsequent conveyance, transfer or other disposition of the Property, and shall assign the benefit of such covenant to the Vendor or the Vendor's nominee forthwith upon the Vendor's request.

CONDOMINIUM PROVISIONS

59. In addition to purchasing the Real Property, the Purchaser hereby agrees that he/she is purchasing a common interest in the Condominium as more particularly described in the Condominium Documents on the terms and conditions as hereinafter.
- a) That portion of the Purchase Price applicable to the common interest in the Condominium shall be \$2.00 Dollars which shall be payable as part of the monies due on the Occupancy Date from the Purchaser to the Vendor. There is no deposit payable by the Purchaser for the purchase of the common interest in the Condominium.
 - b) The Purchaser agrees to accept title subject to the Creating Documents and such of the Condominium Documents registered from time to time (notwithstanding that same may be amended or varied from the proposed Condominium Documents provided to the Purchaser), as well as any other those interests, easements, encumbrances, covenants and other registered documents as permitted in accordance elsewhere in this Agreement. The Purchaser further acknowledges that upon receipt of a Transfer/Deed of Land to the POTL, that the common interest in the Condominium Corporation cannot be severed from the Real Property upon any subsequent sale of the POTL.
 - c) The Purchaser acknowledges that the Condominium, the common elements and the purchase of a common interest in the Condominium are not warranted by Tarion under the ONHWPA.
 - d) The Purchaser acknowledges that the roadway and parking area common elements of the Condominium Corporation will not be constructed to the standards and/or requirements, if any of the Municipality, for public roads and services. The Purchaser covenants and agrees that the Purchaser shall have no claims against the Vendor for said 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 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 or as it may require in its discretion, any part of the Condominium to conform with any municipal requirements related to official plan or official plan amendments, zoning by-laws, committee of adjustment and/or land division committee decisions, municipal site plan approval, or as may be required by the Vendor in its discretion. 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 brochures or otherwise. 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.
 - e) In the event that for any reason whatsoever, the Condominium has not been registered by the Closing Date or if the Vendor is unable to deliver to the Purchaser on or before Closing, a conveyance of the Property, with title in accordance with the provisions of this Agreement, then the Vendor at its option, may require that the Purchaser close the purchase transaction and take possession of the POTL on the Closing Date and enter into the Occupancy Licence.

MISCELLANEOUS

60. Successors, Gender and Other Matters: The meanings of the words and phrases used in this Agreement and in any schedules annexed hereto shall have the meanings ascribed to them in the Act, unless this Agreement or the context otherwise requires a different meaning for same. This Agreement shall be read with all changes in gender and number required by the context. Any headings used throughout this Agreement are for ease of reference only, and shall not be deemed or construed to form a part of this Agreement. This Agreement shall enure to the benefit

of, and be binding upon, the parties hereto, and their respective heirs, executors, administrators, successors and permitted assigns.

JOINT AND SEVERAL LIABILITY

61. This Agreement of Purchase and Sale shall be governed by the laws of the Province of Ontario. If more than one individual, partnership and/or company comprises the Purchaser, then all of the covenants, obligations and agreements of the Purchaser herein shall be deemed and construed to be the joint and several covenants, obligations and agreements of all the individuals, partnerships and companies comprising the Purchaser.

SEVERABILITY

62. In the event of any conflict or inconsistency between the terms of this Agreement and the Addendum then the terms of the Addendum shall prevail and the terms of this Agreement in conflict or inconsistent shall be deemed to be severed from the Agreement without affecting the validity and/or enforceability of the balance of the Agreement. If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal or invalid, or beyond the powers or capacity of the parties hereto, then provided such provision is not, in the Vendor's sole opinion, essential or fundamental to the completion of this transaction, such provision shall be deemed and construed to be severed and deleted from this Agreement, and the remainder of this Agreement shall continue in full force and effect.

BINDING OFFER AND ENTIRE AGREEMENT

63. The parties re-affirm that this Agreement when accepted shall constitute a binding Purchase Agreement between the Purchaser and the Vendor. It is agreed and understood that there is no representation, warranty, collateral term or condition affecting this Agreement or the Property, or for which the Vendor (or any sales representative representing the Vendor) can be held responsible or liable in any way, whether contained, portrayed, illustrated or represented by, or in, any plan, drawing, brochure, display, model or any other sales/marketing material(s), or alleged against any sales representative representing the Vendor, other than as expressed herein in writing. Without limiting the generality of the foregoing, it is understood and agreed by the parties hereto that the Purchaser shall not make or pursue any claim or proceeding against the Vendor, nor hold the Vendor responsible or liable, whether based or founded in contract law or in tort law, for innocent misrepresentation, negligent misrepresentation or otherwise, in respect of, or arising from, any statement, representation, warranty, collateral term or condition alleged to have been made by any sales representative or by any other person alleged to represent the Vendor on behalf of or purporting to be binding upon the Vendor, save and except for those representations of the Vendor herein set forth in writing. The Purchaser further confirms that in entering into this Agreement, he has not relied on any representation, warranty, collateral agreement or condition affecting this Agreement or the Property, or supported thereby, other than those specifically set out in this Agreement or in any of the schedules hereto, and specifically absolves the Vendor and/or any other party that may seek indemnification or contribution from the Vendor, of any obligation or liability to perform or comply with any promise or comply with any promise or representation that may have been made by any sales representative/agent or alleged against them, unless the same has been reduced to writing and is contained in this Agreement or in the schedules hereto.

EXECUTION AND ELECTRONIC EXCHANGE

64. This Agreement may be executed and counter-signed by telefacsimile and/or electronic mail and a telefacsimile or electronically transmitted reproduction of this offer with a signature of the Vendor and/or the Purchaser may be relied upon to the same extent as if it were an original. The Vendor and the Purchaser covenant and agree, upon the request of the other, to provide an originally executed copy of this Agreement to the requesting party.



SCHEDULE "E"
TO THE AGREEMENT OF PURCHASE AND SALE OF STATEVIEW HOMES (BEA TOWNS) INC.
TERMS OF OCCUPANCY LICENCE

1. The terms of the Occupancy Licence shall be substantially in accordance with the terms and conditions of this schedule provided that the Vendor shall have the right to amend the terms of schedule in its discretion. The transfer of title to the Unit shall take place on the Closing Date upon which date, unless otherwise expressly provided for hereunder, the term of this Occupancy Licence shall be automatically terminated once title to the Unit has passed to the Purchaser.
2. The Vendor grants to the Purchaser a licence to occupy the Unit from the Occupancy Date to the Closing Date (the "Interim Occupancy"). The Purchaser shall pay to the Vendor the Occupancy Fee during the Interim Occupancy which is the aggregate of the following amounts, namely: 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. The occupancy fee shall be paid 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 Closing Date and the applicable 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 in accordance with this agreement and/or the Act.
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.
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. The Purchaser shall pay the monthly Occupancy Fee during Interim Occupancy and the Vendor shall return all unused post-dated Occupancy Fee cheques to the Purchaser on or shortly after the Closing Date.
5. 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 or by the Corporation or such other third party and not the responsibility of the Corporation under the Condominium Documents. No noise constituting an annoyance and/or nuisance or disrupting the normal use of a residential unit shall be permitted to be transmitted from one residential unit to another residential unit. If the Vendor determines that any noise is being transmitted to another unit and that such noise is an annoyance and/or a nuisance and/or disruptive, then the owner of such unit shall, at his/her expense, take such steps as are necessary in the opinion of the Vendor to rectify and/or abate such noise. Any owner of a residential unit, save and except the Vendor or any related or affiliated company, who installs and/or causes to be installed, hardwood flooring, synthetic hard surface flooring, laminate flooring and/or any other ceramic tile flooring ("Hard Surface Flooring"), shall prior to such installation, install such sound proofing sub-flooring material as required by the Vendor. In addition, the Vendor may require that the said unit owner(s) install carpeting (having a face weight and underpad as the Vendor may designate) over the Hard Surface Flooring as the Vendor may deem necessary or desirable in order to abate noise in the unit where the Hard Surface Flooring has been installed. In the event that the said unit owner fails to undertake the rectification/abatement measures required by the Vendor, then the Purchaser shall be in default under this licence and the Purchase Agreement entitling the Vendor to its remedies thereunder. In addition no owner, tenant or occupant of a Residential Unit shall be permitted to alter, penetrate, remove, any portion of any demising wall or ceiling assembly (including the drywall) between any residential unit or any exterior wall or ceiling, other than the application of any wall or ceiling covering or paint. In addition, no owner, tenant or occupant of a Residential Unit shall be permitted to install any electronic equipment or audio speakers in the cavity of any demising wall or ceiling between any residential unit or any exterior wall or ceiling. In the event that the said unit owner defaults with respect to this obligation then the Purchaser shall be in default under this licence and the Purchase Agreement entitling the Vendor to its remedies thereunder.
6. 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.
7. 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.

8. 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. The Purchaser must insure all chattels on the Property at his/her own expense after the Occupancy Date. 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.
9. In accordance with clause 80(6)(d) and (e) 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, if permitted by the Vendor, such assignment will result in the Purchaser owing the Vendor, in addition to the Purchase Price, all amounts equal to all Rebates and HST Credits as the assignment will disentitle the Purchaser to the Rebates and will also pay the Vendor an administrative fee together with all applicable taxes will be payable to the Vendor each time the Purchaser wishes to assign, sublet or dispose of the Occupancy Licence during Interim Occupancy, and is permitted to do so.

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. Subject to the terms and conditions of the ONHWPA and/or the Addendum, 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, paid in respect of deposits and/or Extras (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. These provisions are subject to any overriding provisions in the ONHWPA, its regulations and/or the Addendum to the contrary.



SCHEDULE B
Adjustments to Purchase Price or Balance Due on Closing

PART I Stipulated Amounts/Adjustments

1. Refer to section 7(c) – Law Society fee of \$65
2. Refer to section 9(e) - \$500 fee for any NFS cheques issued by purchaser
3. Refer to section 7(g) - \$100 charge of discharge of Vendor's Lien
4. Refer to section 7(h) – a refundable deposit in the amount of \$2,5000 to secure purchaser's obligations with respect to lot grading and related matters
5. Refer to section 7(i) - \$500 fee for cost of a foundation survey
6. Refer to section 7(k) – the cost of \$250 per month post-closing for each month the purchaser fails to enter into any utility contract with the supplier and the vendor is required to maintain such contract.



PART II All other Adjustments – to be determined in accordance with the terms of the Purchase Agreement

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing which will be determined after signing the Purchase Agreement, all in accordance with the terms of the Purchase Agreement.

1. Refer to section 7(a) – charges related to gas, water, electricity connections and meters and security deposits for related accounts
2. Refer to section 7(b) – costs for any adjustments related to fuel, water, taxes, local improvement charges to be paid for by purchaser on closing
3. Refer to section 7(d) – the Ontario New Home Warranties Plan Act enrollment fee
4. Refer to section 7(f) – the cost of any increase in levies, development charges and related charges after the date of this Agreement
5. Refer to section 7(j) – costs incurred by vendor related to blue box recycling program to be reimbursed by purchaser
6. Refer to section 7(l), (m) and (n) – purchaser is required to enter into contracts with electricity, water and gas suppliers as their own costs
7. Refer to section 7(o) - reimburse the vendor for any costs related to subdivision esthetic enhancements imposed by approval authorities
8. Refer to section 8 – any taxes applicable to any adjustments
9. Refer to section 9 – 14 – HST assignment and related costs
10. Refer to section 15 – any post-closing fees or payments related to interim occupancies

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ACKNOWLEDGEMENT OF RECEIPT OF DISCLOSURE MATERIALS

THE UNDERSIGNED PURCHASER(S) HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THE FOLLOWING DOCUMENTS:

- (a) copy of the Agreement of Purchase and Sale (to which this Acknowledgement is attached as a Schedule) executed by the Vendor and the Purchaser;
- (b) copy of the Current Disclosure Statement;
- (c) proposed Declaration;
- (d) proposed By-Laws 1, 2 and 3;
- (e) the proposed management agreement;
- (f) the Budget Statement for the one-year period immediately following the registration of the proposed Declaration and description;
- (g) Sections 73 and 74 of the Act - purchaser's right to rescind;
- (h) the plan showing the overall site of the common elements condominium; and
- (i) the proposed rules governing the condominium corporation.

DATED this day of **JULY 7 2021**, 20 .

Witness: _____

DocuSigned by: _____
DocuSigned by: _____
[Redacted Signature]

(Printed Name of Purchaser)

Witness: _____

Signature of Purchaser

(Printed Name of Purchaser)

**ADDENDUM/AMENDMENT TO THE
AGREEMENT OF PURCHASE AND SALE**

BETWEEN:

(individually or collectively known as the "Purchaser")

and

STATEVIEW HOMES (BEA TOWNS) INC.
(the "Vendor")

WHEREAS the Purchaser and the Vendor entered into an agreement of purchase of sale dated the 7 day of July, 2021, as amended from time to time, with respect to the property described legally described as (Potl) No. , to be constructed on Part of Block 76, Plan 51M1167; in the City of Barrie (the "Property" or the "Lands"), (the "Purchase Agreement");

AND WHEREAS the parties wish to amend the terms of the Purchase Agreement as hereinafter set out and with all capitalized terms having the meaning given to them in the Purchase Agreement unless otherwise set out herein;

NOW THEREFORE THESE PRESENTS WITNESSETH that in consideration of the payment of the sum of \$2.00 and the exchange of the covenants and agreements contained in this amendment and for other good and valuable consideration (the receipt and sufficiency of which is expressly acknowledged by the parties hereto), the Vendor and the Purchaser covenant and agree with each other as follows:

1. The Vendor hereby agrees and confirms that the amounts payable by the Purchaser as set out in all paragraphs of the Purchase Agreement shall not exceed \$10,000.00 plus HST. Schedule B of the Tarion Addendum, Parts I and II, as applicable, shall be deemed to be amended to provide for the limits on the adjustments as noted above.
2. The Purchaser acknowledges and agrees that the Purchase Agreement is final and binding subject to the amendment of the terms as set out herein, and that no new agreement is created by this amendment. All other terms and provisions of the Purchase Agreement shall continue in full force and effect and time shall continue to be of the essence.
3. The parties may rely upon executed copies of this Amending Agreement and its acceptance or any further amendments thereto which are delivered by electronic transmission to the same extent as if such transmission of the Amending Agreement sent by electronic transmission were originals. This Agreement may be executed in two counterparts, each of which shall be deemed to be an original, but both of which together shall constitute one and the same instrument.

Dated this _____ day of _____, 20__.

DATED at _____ this _____ day of 7/7/2021, 2021.

_____) DocuSigned by:
 _____) Purchaser: ZINAT REZAEZADER
 _____) DocuSigned by:
 _____) 488F8A28E01C44E
 _____) Purchaser: ZINAT REZAEZADER
 _____) 6AE59278EE1C480...

Witness (to all) _____

DATED at _____ this _____ day of 7/8/2021, 2021.

STATEVIEW HOMES (BEA TOWNS) INC.
 DocuSigned by:
 _____) Per _____ c/s
 _____) 5AC00BCAA1714A0...
 Authorized Signing Officer
 I have the authority to bind both Corporations



INFORMATION FOR BUYERS OF PRE-CONSTRUCTION CONDOMINIUM HOMES

Property _____

INFORMATION FOR BUYERS OF PRE-CONSTRUCTION CONDOMINIUM HOMES ABOUT THE POSSIBLE TERMINATION OF PURCHASE AGREEMENT

To: Purchaser(s) of the Property

1. Take Note

You are entering into a purchase transaction which relates to a pre-construction condominium unit¹. You should be aware of the possibility that it may never be completed.

Important information about your purchase is set out in this document.

You should review your purchase agreement including this document with a lawyer familiar with condominium transactions.

Remember that you have a 10-day period to cancel your purchase.²

2. Be Aware of Timing

The Vendor's best estimate as to when your unit will be ready for occupancy is shown as the "First Tentative Occupancy Date" on the Statement of Critical Dates and is SEPT 18, 2024 (Month/Day/Year). This date may be further extended. Please refer to the Statement of Critical Dates in the Condominium Addendum (which forms part of your Purchase Agreement) for an explanation of how this date may change.

3. Completion of Your Purchase Is Not Certain – It Can Be Terminated by the Vendor³

Your Purchase Agreement contains early termination conditions which could result in your purchase being terminated. These are set out in detail in the Condominium Addendum. In general terms, the Vendor can end your purchase if:

- a. By _____ (Month/Day/Year), a set level of sales for the project has not been achieved.
- b. By _____ (Month/Day/Year), certain zoning and/or development approvals have not been obtained.
- c. By _____ (Month/Day/Year), satisfactory financing for the project has not been obtained.

This may not list all of the conditions that may exist in the Condominium Addendum.

¹ This information sheet applies to residential units in a standard residential condominium corporation as well as a phased condominium corporation (see paras 6(2) 2 and 4. of the *Condominium Act, 1998*).

² See *Condominium Act, 1998*, s.73.

³ **Note to Vendor:** insert "n/a" in the date area if any of paragraphs 3(a), (b) or (c) do not apply.



INFORMATION FOR BUYERS OF PRE-CONSTRUCTION CONDOMINIUM HOMES

Note: In most cases, if your Purchase Agreement is terminated, any deposit monies you have paid must be returned to you with interest at the rate no less than that prescribed by the Condominium Act, 1998⁴. Other recourse (monetary or otherwise) may be limited – you should speak to your lawyer.

4. Ownership of Property

The Vendor represents, warrants and declares that the Vendor owns the freehold ownership interest in the Property or has the power to compel transfer of the freehold ownership interest in the Property before closing.

5. Title Restrictions

The Vendor represents, warrants and declares that:

- a. The Property is free from any registered title restriction that binds the Project which would prevent completion of the Project and/or sale of your unit to you. YES NO
- b. If No, that is, if such a restriction exists, the Vendor's explanation for how the restriction will be removed so the Project can proceed and/or the sale can be completed is set out below (add attachment, if necessary).

6. Zoning Status

The Vendor represents, warrants and declares that:

- a. The Vendor has obtained appropriate Zoning Approval for the Building. YES NO
- b. If No, the Vendor shall give written notice to the Purchaser within 10 days after the date that appropriate Zoning Approval for the Building is obtained.

7. Construction Status

The Vendor represents, warrants and declares that:

- a. Commencement of Construction: has occurred; or, is expected to occur by _____ (Month/Day/Year).
- b. If commencement has not occurred, the Vendor shall give written notice to the Purchaser within 10 days after the actual date of Commencement of Construction.

⁴ Interest required to be paid on deposit monies returned to a purchaser is governed by the *Condominium Act, 1998* – see section 82, and section 19 of O. Reg. 48/01. In general terms, it is 2 percentage points less than a specified Bank of Canada rate recalculated every 6 months.



INFORMATION FOR BUYERS OF PRE-CONSTRUCTION CONDOMINIUM HOMES

8. Your Purchase Agreement

This document is to be used for a purchase transaction where the transaction remains conditional and the unit is a condominium unit in respect of a condominium project for which a description is proposed to be registered under the Condominium Act, 1998. This document⁵ together with the Condominium Addendum⁶, forms part of your Purchase Agreement. This document, the Condominium Addendum and the balance of your Purchase Agreement are to be signed at the same time. If any conflict or inconsistency exists among these documents, the provisions of the Condominium Addendum shall prevail followed by this document. Terms not defined in this document have the meaning set out in the Condominium Addendum.

9. Legal Advice is Important

Prior to signing the purchase agreement or any amendment to it, you should seek advice from a lawyer with respect to the purchase agreement or any amending agreement to the proposed transaction. Also review with your lawyer the disclosure statement required by the condominium act, 1998.

DATED JULY 7, 2021 (Month/Day/Year).

I/We the undersigned acknowledge having received and read this document.

DocuSigned by: _____
5AC00BCAA1714A6
Purchaser Signature

Purchaser Name
DocuSigned by:

5AC00BCAA1714A6
Vendor Signature

Vendor Name

- 5 HCRA's expectation is that this document be placed at the front of the purchase agreement. Compliance with the requirement to place this document at the front of the Purchase Agreement does not affect enforceability of the purchase agreement.
- 6 This is the mandatory condominium addendum required to be attached to this Purchase Agreement and referred to in Regulation 165/08 under the Ontario New Home Warranties Plan Act.

**Limited Use Freehold Form
(Tentative Occupancy Date – POTL/CEC)**

Property Bea Towns - Phase 3

**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. Both the Vendor and Purchaser must sign this page.

NOTE TO HOME BUYERS: Home buyers are encouraged to refer to the Home Construction Regulatory Authority's website www.hcraontario.ca to confirm a vendor's licence status prior to purchase as well as to review advice about buying a new home. Please visit Tarion's website: www.tarion.com for important information about all of Tarion's warranties including the Delayed Occupancy Warranty, the Pre-Delivery Inspection and other matters of interest to new home buyers. The Warranty Information Sheet, which accompanies your purchase agreement and has important information, 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 home.

VENDOR Stateview Homes (BEA Towns) Inc
Full Name(s)
PURCHASER [Redacted]
Full Name(s)

1. Critical Dates

The **First Tentative Occupancy Date**, which is the date that the Vendor anticipates the home will be completed and ready to move in, is: the 18th day of September, 2024.

A **Second Tentative Occupancy Date** can subsequently be set by the Vendor by giving proper written notice at least 90 days before the First Tentative Occupancy Date. The Second Tentative Occupancy Date can be up to 120 days after the First Tentative Occupancy Date, and so could be as late as: the 16th day of January, 2025.

The Vendor must set a **Firm Occupancy Date** by giving proper written notice at least 90 days before the Second Tentative Occupancy Date. The Firm Occupancy Date can be up to 120 days after the Second Tentative Occupancy Date, and so could be as late as: the 16th day of May, 2025.

If the Vendor cannot provide Occupancy by the Firm Occupancy Date, then the Purchaser is entitled to delayed occupancy compensation (see section 7 of the Addendum) and the Vendor must set a Delayed Occupancy Date.

The Vendor can set a Delayed Occupancy Date that is up to 365 days after the earlier of the Second Tentative Occupancy Date and the Firm Occupancy Date: This **Outside Occupancy Date** could be as late as: the 16th day of January, 2026.

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 twice by up to 120 days each time by setting a Second Tentative Occupancy Date and then a Firm Occupancy Date in accordance with section 1 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 20th day of June, 2024.

(i.e., at least 90 days before the First Tentative Occupancy Date), or else the First Tentative Occupancy Date automatically becomes the Firm Occupancy Date.

Notice of a second delay in Occupancy must be given no later than: the 18th day of October, 2024.

(i.e., at least 90 days before the Second Tentative Occupancy Date), or else the Second Tentative Occupancy Date becomes the Firm Occupancy Date.

3. Purchaser's Termination Period

If the home is not complete by the Outside Occupancy Date, then the Purchaser can terminate the transaction during a period of 30 days thereafter (the "Purchaser's Termination Period"), which period, unless extended by mutual agreement, will end on: the 17th day of February, 2026.

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 7, 11 and 12 of the Addendum).

Note: Any time 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 revised Statement of Critical Dates; or 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 5 of the Addendum).

Acknowledged and Accepted by [Signature] on 7/8/2021, 2021.
VENDOR: [Signature]
5AC00BCAA1714A6...

PURCHASER: [Redacted Signature]

**Limited Use Freehold Form
(Tentative Occupancy Date – POTL/CEC)**

**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. This Addendum is to be used for a transaction where the home is freehold but also involves an interest in a common elements condominium corporation. This Addendum 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 "ONHWP 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.**

Tarion recommends that Purchasers register on Tarion's MyHome on-line portal and visit Tarion's website – tarion.com, to better understand their rights and obligations under the statutory warranties.

The Vendor shall complete all blanks set out below.

VENDOR Stateview Homes (BEA Towns) Inc

Full Name(s) B60186	410 Chrislea Road
HCRA Licence Number 905-851-1849	Address Woodbridge Ontario L4L 8B5
Phone 905-851-1841	City Province Postal Code
Fax	Email* daniel@stateviewhomes.com

PURCHASER [REDACTED]

Full Name(s)	[REDACTED]	[REDACTED]	[REDACTED]
Address	[REDACTED]	City	Province Postal Code
Phone	[REDACTED]		
Fax	[REDACTED]	Email*	[REDACTED]

PROPERTY DESCRIPTION

Municipal Address Barrie	Ontario
City	Province Postal Code

Short Legal Description

Number of Homes in the Freehold Project 218 (if applicable – see Schedule A)

INFORMATION REGARDING THE PROPERTY

The Vendor confirms that:

(a) The Property is within a plan of subdivision or a proposed plan of subdivision. Yes No
 If yes, the plan of subdivision is registered. Yes No
 If the plan of subdivision is not registered, approval of the draft plan of subdivision has been given. Yes No

(b) The Vendor has received confirmation from the relevant government authorities that there is sufficient:
 (i) water capacity; and (ii) sewage capacity to service the Property. Yes No

If yes, the nature of the confirmation is as follows:
Municipal Confirmation
 If the availability of water and sewage capacity is uncertain, the issues to be resolved are as follows:

(c) A building permit has been issued for the Property. Yes No
 (d) Commencement of Construction: has occurred; or is expected to occur by the 1st day of October, 2022

The Vendor shall give written notice to the Purchaser within 10 days after the actual date of Commencement of Construction.

Note: Since important notices will be sent to this address, it is essential that you ensure that a reliable email address is provided and that your computer settings permit receipt of notices from the other party.

Limited Use Freehold Form
(Tentative Occupancy Date – POTL/CEC)

SETTING AND CHANGING CRITICAL DATES

1. 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 home subject to all prescribed requirements, to provide Occupancy of the home without delay, and, to register without delay the declaration and description for the related common elements condominium corporation.
- (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) **Second Tentative Occupancy Date:** The Vendor may choose to set a Second Tentative Occupancy Date that is no later than 120 days after the First Tentative Occupancy Date. The Vendor shall give written notice of the Second Tentative Occupancy Date to the Purchaser at least 90 days before the First Tentative Occupancy Date, or else the First Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date.
- (d) **Firm Occupancy Date:** The Vendor shall set a Firm Occupancy Date, which can be no later than 120 days after the Second Tentative Occupancy Date or, if a Second Tentative Occupancy Date is not set, no later than 120 days after the First Tentative Occupancy Date. If the Vendor elects not to set a Second Tentative Occupancy Date, the Vendor shall give written notice of the Firm Occupancy Date to the Purchaser at least 90 days before the First Tentative Occupancy Date, or else the First Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. If the Vendor elects to set a Second Tentative Occupancy Date, the Vendor shall give written notice of the Firm Occupancy Date to the Purchaser at least 90 days before the Second Tentative Occupancy Date, or else the Second Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date.
- (e) **Notice:** Any notice given by the Vendor under paragraphs (c) and (d) must set out the stipulated Critical Date, as applicable.

2. Changing the Firm Occupancy Date – Three Ways

- (a) The Firm Occupancy Date, once set or deemed to be set in accordance with section 1, can be changed only:
 - (i) by the Vendor setting a Delayed Occupancy Date in accordance with section 3;
 - (ii) by the mutual written agreement of the Vendor and Purchaser in accordance with section 4; or
 - (iii) as the result of an Unavoidable Delay of which proper written notice is given in accordance with section 5.
- (b) If a new Firm Occupancy Date is set in accordance with section 4 or 5, then the new date is the "Firm Occupancy Date" for all purposes in this Addendum.

3. 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 4 and 5 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 7.
- (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 at least 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 7(c). If notice of a new Delayed Occupancy Date is not given by the Vendor, before the Firm Occupancy Date, then the new Delayed Occupancy Date shall be deemed to be the date which is 90 days after the Firm Occupancy Date.
- (d) After the Delayed Occupancy Date is set, if 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 5 or is mutually agreed upon under section 4, in which case the requirements of those sections must be met. Paragraphs (b) and (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.

4. Changing Critical Dates – By Mutual Agreement

- (a) This Addendum sets out a framework for setting, extending and/or accelerating Critical Dates, which cannot be altered contractually except as set out in this section 4. Any amendment not in accordance with this section is voidable at the option of the Purchaser. For greater certainty, this Addendum does not restrict any extensions of the Closing date (i.e., title transfer date) where Occupancy of the 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 any of the Critical Dates. Any amendment which accelerates or extends any of the Critical Dates must include the following provisions:
 - (i) the Purchaser and Vendor agree that the amendment is entirely voluntary – the Purchaser has no obligation to sign the amendment and each understands that this purchase transaction will still be valid if the Purchaser does not sign this amendment;
 - (ii) the amendment includes a revised Statement of Critical Dates which replaces the previous Statement of Critical Dates;



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(iii) the Purchaser acknowledges that the amendment may affect delayed occupancy compensation payable; and
(iv) 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 7;
- 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; and
- iii. contain a statement by the Purchaser that the Purchaser waives compensation or accepts the compensation referred to in clause ii above, 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.

If the Purchaser for his or her own purposes requests a change of the Firm Occupancy Date or the Delayed Occupancy Date, then subparagraphs (b)(i), (iii) and (iv) above shall not apply.

- (c) 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.
- (d) 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.

5. 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: 20 days thereafter; and the next Critical Date.
- (c) As soon as reasonably possible, and no later than 20 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 (c) above, then the notice is ineffective, the existing Critical Dates are unchanged, and any delayed occupancy compensation payable under section 7 is payable from the existing Firm Occupancy Date.
- (e) Any notice setting new Critical Dates given by the Vendor under this section shall include an updated revised Statement of Critical Dates.

EARLY TERMINATION CONDITIONS

6. 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 (j), (k) and (l) 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 (j), (k) and (l) below 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 this Purchase Agreement is subject to Early Termination Conditions that, if not satisfied (or waived, if applicable), may result in the termination of the Purchase Agreement. Yes No
- (d) If the answer in (c) above is "Yes", then 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 and any such conditions set out in an appendix headed "Early Termination Conditions":

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Condition #1 (if applicable)

Description of the Early Termination Condition:

The Approving Authority (as that term is defined in Schedule A) is: _____

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:

The Approving Authority (as that term is defined in Schedule A) is: _____

The date by which Condition #2 is to be satisfied is the ____ day of _____, 20 ____.

The date for satisfaction of any Early Termination Condition may be changed by mutual agreement provided in all cases it is set at least 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 the later of: (A) the signing of the Purchase Agreement; and (B) the satisfaction or waiver by the Purchaser of a Purchaser financing condition permitted under paragraph (l) below.

Note: The parties must add additional pages as an appendix to this Addendum if there are additional Early Termination Conditions.

- (e) There are no Early Termination Conditions applicable to this Purchase Agreement other than those identified in subparagraph (d) above and any appendix listing additional Early Termination Conditions.
- (f) The Vendor agrees to take all commercially reasonable steps within its power to satisfy the Early Termination Conditions identified in subparagraph (d) above.
- (g) 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;
 - (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.
- (h) 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.
- (i) If a Purchase Agreement or proposed Purchase Agreement contains Early Termination Conditions, the Purchaser has three (3) Business Days after the day of receipt of a true and complete copy of the Purchase Agreement or proposed Purchase Agreement to review the nature of the conditions (preferably with legal counsel). If the Purchaser is not satisfied, in the Purchaser's sole discretion, with the Early Termination Conditions, the Purchaser may revoke the Purchaser's offer as set out in the proposed Purchase Agreement, or terminate the Purchase Agreement, as the case may be, by giving written notice to the Vendor within those three Business Days.
- (j) The Purchase Agreement may be conditional until Closing (transfer to the Purchaser of title to the home), upon compliance with the subdivision control provisions (section 50) of the *Planning Act* and, if applicable, registration of a related common elements condominium corporation under the *Condominium Act, 1998*, which compliance shall be obtained by the Vendor at its sole expense, on or before Closing.
- (k) 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.
- (l) The Purchase Agreement may include any condition that is for the sole benefit of the Purchaser and that is agreed to by the Vendor (e.g., 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.



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MAKING A COMPENSATION CLAIM

7. 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 4 and 5), then the Vendor shall compensate the Purchaser up to a total amount of \$7,500, which amount includes: (i) payment to the Purchaser of a set amount of \$150 a day for living expenses for each day of delay until the Occupancy Date; or the date of termination of the Purchase Agreement, as applicable under paragraph (b) below; and (ii) any other expenses (supported by receipts) incurred by the Purchaser due to the delay.
- (b) Delayed occupancy compensation is payable only if: (i) Occupancy and Closing occurs; or (ii) the Purchase Agreement is terminated or deemed to have been terminated under paragraph 11(b) 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 ONHWP 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 3(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 after Occupancy or after termination of the Purchase Agreement, as the case may be, 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 7 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;
 - (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.
- (f) If the Vendor and Purchaser cannot agree as contemplated in paragraph 7(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 sale transaction is terminated under paragraph 11(b), in which case, the deadline for a claim is one (1) year after termination.
- (g) If delayed occupancy compensation is payable, the Vendor shall either: pay the compensation as soon as the proper amount is determined; or pay such amount with interest (at the prescribed rate as specified in subsection 19(1) of O.Reg. 48/01 of the *Condominium Act, 1998*), from the Occupancy Date to the date of Closing, such amount to be an adjustment to the balance due on the day of Closing.

8. Adjustments to Purchase Price

Only the items set out in Schedule B (or an amendment to Schedule B), shall be the subject of adjustment or change to the purchase price or the balance due on Closing. The Vendor agrees that it shall not charge as an adjustment or readjustment to the purchase price of the home, any reimbursement for a sum paid or payable by the Vendor to a third party unless the sum is ultimately paid to the third party either before or after Closing. If the Vendor charges an amount in contravention of the preceding sentence, the Vendor shall forthwith readjust with the Purchaser. This section shall not restrict or prohibit payments for items disclosed in Part I of Schedule B which have a fixed fee; nor shall it restrict or prohibit the parties from agreeing on how to allocate as between them, any rebates, refunds or incentives provided by the federal government, a provincial or municipal government or an agency of any such government, before or after Closing.

9. Occupancy

If the Purchaser accepts or is required to accept Occupancy in advance of receiving a title transfer of the home, then the provisions of Schedule C shall apply.

MISCELLANEOUS

10. Ontario Building Code – Conditions of Occupancy

- (a) On or before the Occupancy Date, the Vendor shall deliver to the Purchaser:
 - (i) an Occupancy Permit (as defined in paragraph (d)) for the home; or



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- (ii) if an Occupancy Permit is not required under the Building Code, a signed written confirmation by the Vendor that all conditions of occupancy under the Building Code have been fulfilled and Occupancy is permitted under the Building Code.
- (b) Notwithstanding the requirements of paragraph (a), to the extent that the Purchaser and the Vendor agree that the Purchaser shall be responsible for one or more prerequisites to obtaining permission for Occupancy under the Building Code, (the "Purchaser Occupancy Obligations"):
 - (i) the Purchaser shall not be entitled to delayed occupancy compensation if the reason for the delay is that the Purchaser Occupancy Obligations have not been completed;
 - (ii) the Vendor shall deliver to the Purchaser, upon fulfilling all prerequisites to obtaining permission for Occupancy under the Building Code (other than the Purchaser Occupancy Obligations), a signed written confirmation that the Vendor has fulfilled such prerequisites; and
 - (iii) if the Purchaser and Vendor have agreed that such prerequisites (other than the Purchaser Occupancy 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 Occupancy Date.
- (c) If the Vendor cannot satisfy the requirements of paragraph (a) or subparagraph (b)(ii), 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)(ii), 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 3, and delayed occupancy compensation shall be payable in accordance with section 7. 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)(ii) is because the Purchaser has failed to satisfy the Purchaser Occupancy Obligations.
- (d) For the purposes of this section, an "Occupancy Permit" means any written or electronic 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 that permission to occupy the home under the Building Code has been granted.

11. Termination of the Purchase Agreement

- (a) The Vendor and the Purchaser may terminate the Purchase Agreement by mutual written agreement. Such written mutual agreement may specify how monies paid by the Purchaser, including deposit(s) and monies for upgrades and extras are to be allocated if not repaid in full.
- (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 under paragraph 3(c), 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 provisions of section 6 or Schedule C.
- (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 the Vendor's delay in providing Occupancy alone.

12. Refund of Monies Paid on Termination

- (a) If the Purchase Agreement is terminated (other than as a result of breach of contract by the Purchaser), then unless there is agreement to the contrary under paragraph 11(a), the Vendor shall refund 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 refund to the Purchaser. The Purchaser cannot be compelled by the Vendor to execute a release of the Vendor as a prerequisite to obtaining the refund of monies payable as a result of termination of the Purchase Agreement under this paragraph, although the Purchaser may be required to sign a written acknowledgement confirming the amount of monies refunded and termination of the purchase transaction. Nothing in this Addendum prevents the Vendor and Purchaser from entering into such other termination agreement and/or release as may be agreed to by the parties.
- (b) The rate of interest payable on the Purchaser's monies shall be calculated in accordance with the *Condominium Act, 1998*.
- (c) Notwithstanding paragraphs (a) and (b) above, if either party initiates legal proceedings to contest termination of the Purchase Agreement or the refund of monies paid by the Purchaser, and obtains a legal determination, such amounts and interest shall be payable as determined in those proceedings.

13. Definitions

"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



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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.

"Closing" means the completion of the sale of the home including transfer of title to the home to the Purchaser.

"Commencement of Construction" means the commencement of construction of foundation components or elements (such as footings, rafts or piles) for the home.

"Critical Dates" means the First Tentative Occupancy Date, the Second 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 3, 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 home will be complete and ready for Occupancy, as set out in the Statement of Critical Dates.

"Occupancy" means the right to use or occupy the home in accordance with the Purchase Agreement.

"Occupancy Date" means the date the Purchaser is given Occupancy on or before Closing.

"Outside Occupancy Date" means the latest date that the Vendor agrees to provide Occupancy to the Purchaser, as confirmed in the Statement of Critical Dates.

"Property" or "home" means the freehold home being acquired by the Purchaser from the Vendor, and its interest in the related common elements condominium corporation.

"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).

"Second Tentative Occupancy Date" has the meaning given to it in paragraph 1(c).

"Statement of Critical Dates" means the Statement of Critical Dates attached to and forming part of this Addendum (in form to be determined by Tarion from time to time), and, if applicable, as amended in accordance with this Addendum.

"The ONHWP 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 5(b), and the date on which the Unavoidable Delay concludes.

14. 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.

15. 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. If email addresses are set out on page 2 of this Addendum, then the parties agree that notices may be sent by email to such addresses, subject to paragraph (c) below.
- (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 section 15, 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 of this Addendum, then the party shall send written notice of the change of address, fax number, or email address to the other party in accordance with paragraph (b) above.
- (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.



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- (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.
- (i) Words in the singular include the plural and words in the plural include the singular.
- (j) Gender-specific terms include both sexes and include corporations.

16. Disputes Regarding Termination

- (a) The Vendor and Purchaser agree that disputes arising between them relating to termination of the Purchase Agreement under section 11 shall be submitted to arbitration in accordance with the *Arbitration Act, 1991* (Ontario) and subsection 17(4) of the ONHWP Act.
- (b) The parties agree that the arbitrator shall have the power and discretion on motion by the Vendor or Purchaser or any other interested party, or of the arbitrator's own motion, to consolidate multiple arbitration proceedings on the basis that they raise one or more common issues of fact or law that can more efficiently be addressed in a single proceeding. The arbitrator has the power and discretion to prescribe whatever procedures are useful or necessary to adjudicate the common issues in the consolidated proceedings in the most just and expeditious manner possible. The *Arbitration Act, 1991* (Ontario) applies to any consolidation of multiple arbitration proceedings.
- (c) The Vendor shall pay the costs of the arbitration proceedings and the Purchaser's reasonable legal expenses in connection with the proceedings unless the arbitrator for just cause orders otherwise.
- (d) The parties agree to cooperate so that the arbitration proceedings are conducted as expeditiously as possible, and agree that the arbitrator may impose such time limits or other procedural requirements, consistent with the requirements of the *Arbitration Act, 1991* (Ontario), as may be required to complete the proceedings as quickly as reasonably possible.
- (e) The arbitrator may grant any form of relief permitted by the *Arbitration Act, 1991* (Ontario), whether or not the arbitrator concludes that the Purchase Agreement may properly be terminated.

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SCHEDULE A

Types of Permitted Early Termination Conditions

1. The Vendor of a 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) subject to paragraph 1(c), receipt by the Vendor of confirmation that sales of homes in the Freehold Project have exceeded a specified threshold by a specified date;
- (ii) subject to paragraph 1(c), receipt by the Vendor of confirmation that financing for the Freehold 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.

(c) the following requirements apply with respect to the conditions set out in subparagraph 1(b)(i) or 1(b)(ii):

- (i) the 3 Business Day period in section 8(i) of the Addendum shall be extended to 10 calendar days for a Purchase Agreement which contains a condition set out in subparagraphs 1(b)(i) and/or 1(b)(ii);
- (ii) the Vendor shall complete the Property Description on page 2 of this Addendum;
- (iii) the date for satisfaction of the condition cannot be later than 9 months following signing of the purchase Agreement; and
- (iv) until the condition is satisfied or waived, all monies paid by the Purchaser to the Vendor, including deposit(s) and monies for upgrades and extras: (A) shall be held in trust by the Vendor's lawyer pursuant to a deposit trust agreement (executed in advance in the form specified by Tarion Warranty Corporation, which form is available for inspection at the offices of Tarion Warranty Corporation during normal business hours), or secured by other security acceptable to Tarion and arranged in writing with Tarion, or (B) failing compliance with the requirement set out in clause (A) above, shall be deemed to be held in trust by the Vendor for the Purchaser on the same terms as are set out in the form of deposit trust agreement described in clause (A) above.

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).

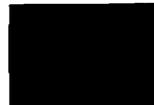
"Freehold Project" means the construction or proposed construction of three or more freehold homes (including the Purchaser's home) by the same Vendor in a single location, either at the same time or consecutively, as a single coordinated undertaking.

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.



**Limited Use Freehold Form
(Tentative Occupancy Date – POTL/CEC)**

SCHEDULE B

Adjustments to Purchase Price or Balance Due on Closing

PART I Stipulated Amounts/Adjustments

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing, the dollar value of which is stipulated in the Purchase Agreement and set out below.

[Draft Note: List items with any necessary cross-references to text in the Purchase Agreement.]



**Limited Use Freehold Form
(Tentative Occupancy Date – POTL/CEC)**

PART II All Other Adjustments – to be determined in accordance with the terms of the Purchase Agreement

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing which will be determined after signing the Purchase Agreement, all in accordance with the terms of the Purchase Agreement.

[Draft Note: List items with any necessary cross-references to text in the Purchase Agreement.]



**Limited Use Freehold Form
(Tentative Occupancy Date – POTL/CEC)**

SCHEDULE C

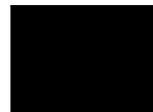
Terms of Occupancy Licence

If the purchaser takes Occupancy of the home before the date of Closing or is required to do so under the Purchase Agreement, then the following provisions shall apply:

1. The Purchaser shall be given Occupancy of the home on the Occupancy Date.
2. The Purchaser shall not be required to pay the balance due on the purchase price on the Occupancy Date unless the Occupancy Date is also the Closing Date.
3. The Purchaser shall pay to the Vendor a monthly Occupancy Fee from and after the Occupancy Date which shall not exceed an amount calculated as follows:
 - (i) interest calculated on a monthly basis on the unpaid balance of the purchase price at the prescribed rate as specified in subsection 19(1) of O.Reg 48/01 to the Condominium Act, 1998; plus
 - (ii) an amount reasonably estimated by the Vendor on a monthly basis for municipal realty taxes attributable by the Vendor to the home; plus
 - (iii) the projected monthly common expense contribution for the home's share of the common elements condominium corporation (CEC).

The Occupancy Fee shall be payable on the first day of each month in advance until the date of Closing. The Occupancy Fee is a fee for the use of the home and no part of it shall be credited as payments on account of the Purchase Price. If Occupancy does not occur on the first day of the month, the Purchaser shall pay on the Occupancy Date a pro rata amount for the balance of the month.

4. If the Vendor charges the Purchaser a monthly Occupancy Fee for longer than six (6) months and the monthly Occupancy Fee includes a projected contribution to the reserve fund for the CEC, then, with respect to the Occupancy Fee for each month after the sixth month, the Vendor shall hold in trust and remit to the CEC upon registering the declaration and description for the CEC, the portion of the monthly Occupancy Fee that represents the projected contribution to the reserve fund.
5. The Vendor, during the Purchaser's period of Occupancy,
 - (a) shall provide those services that the CEC corporation will have a duty to provide to owners after the registration of the CEC declaration and description;
 - (b) shall repair and maintain the CEC property in the same manner as the CEC corporation will have a duty to repair after damage and maintain after the registration of the CEC declaration and description;
 - (c) has the same right of entry to CEC property that the CEC corporation will have after the registration of the CEC declaration and description;
 - (d) may withhold consent to an assignment of the right to use CEC property; and
 - (e) may charge a reasonable fee for consenting to an assignment of the right to use CEC property.
6. The Vendor shall proceed with due diligence to register the CEC declaration and description. The Vendor shall, within 30 days of the registration of the CEC declaration and description, notify the Purchaser in writing of the date and instrument numbers of the registration, unless within that time the Purchaser receives a deed to the home that is in registerable form. Upon registration of the CEC declaration and description, the Vendor and Purchaser shall proceed to complete the title transfer on a date designated by the Vendor or its solicitor which shall be no later than sixty (60) days after the registration of the CEC declaration and description. If the Vendor for any reason whatsoever is unable to register the CEC declaration and description and therefore is unable to deliver a registerable Transfer/Deed to the Purchaser within twelve (12) months of the Occupancy Date, the Purchaser shall have the right for a period of 30 days after such twelve (12) month period, to give sixty (60) days written notice to the Vendor, to terminate the Occupancy licence and this Purchase Agreement. If the Purchaser gives notice of termination, the Purchaser shall give up vacant possession and pay the Occupancy Fee to the date of termination, after which this Purchase Agreement and Occupancy licence shall be terminated and section 7 of the Addendum applies.
7. The rights and duties described in section 5 above, apply despite any provision to the contrary in the *Residential Tenancies Act, 2006*.
8. The Vendor shall, on delivering to the Purchaser a Transfer Deed that is in registerable form or as soon as is practicable after delivery, refund to the Purchaser the portion of the monthly Occupancy Fee that the Purchaser has paid on account of municipal taxes attributable to the home in excess of the amount actually assessed against the home.



**Limited Use Freehold Form
(Tentative Occupancy Date – POTL/CEC)**

9. If the portion of the monthly Occupancy Fee that the Purchaser has paid on account of municipal taxes attributable to the home is insufficient to pay the amount actually assessed against the home, the Vendor may require the Purchaser to pay the difference between the two amounts.
10. Sections 149, 150, 151, 165, 166 and 167 and Part VII of the *Residential Tenancies Act, 2006*, do not apply to Occupancy and monthly Occupancy Fees charged under this Schedule C.
11. In accordance with section 58(1)4 of the *Residential Tenancies Act, 2006*, if the Occupancy arose by virtue of or collateral to the Purchase Agreement, then if the Purchase Agreement is terminated, the Occupancy shall correspondingly be terminated.
12. The Purchaser shall maintain the home in a clean and sanitary condition and not make any alterations or improvements without the prior written approval of the Vendor which may not be unreasonably withheld.
13. 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 home by the supplier of such services.
14. The Purchaser shall as at the Occupancy Date insure the home for the full replacement value thereof and provide a copy of the insurance certificate to the Vendor. The Vendor is not liable for the Purchaser's loss occasioned by fire, theft or other casualty, unless caused or contributed to by the Vendor.
15. The Vendor and Purchaser may agree upon additional provisions relating to Occupancy, provided such provisions do not derogate from, do not conflict with and are not inconsistent with provisions of this Schedule C.



Appendix “B”



Court File No. CV-23-00698576-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 14TH
JUSTICE CAVANAGH) DAY OF SEPTEMBER, 2023

BETWEEN

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC.,
STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND
STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**APPROVAL AND VESTING ORDER
(ON THE MARK)**

THIS MOTION, made by KSV Restructuring Inc. in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") without security, of the property, assets and undertakings of each of the above noted Respondents, including their real property, for an order, *inter alia*, approving the sale transaction (the "**Transaction**") in respect of certain of the Property of Stateview Homes (On the Mark) Inc. ("**On the Mark**") contemplated by an asset purchase agreement (the "**APA**") between the Receiver and 2077060 Ontario Inc. (the "**Purchaser**") dated June 30, 2023 and appended to the Third Report of the Receiver dated September 7, 2023 (the "**Third Report**"), and vesting in the Purchaser On the Mark's right, title and interest in and to the Purchased Assets (as defined in the APA), was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Receiver, the Third Report and the Appendices thereto and on hearing the submissions of counsel for the Receiver, the Purchaser, KingSett Mortgage Corporation (“**KingSett**”) and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Alec Hoy sworn September 8, 2023,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the APA or the Third Report, as applicable.

APPROVAL OF THE TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the APA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser and the assumption of the Assumed Liabilities.
4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule “A”** hereto (the “**Receiver’s Certificate**”), all of On the Mark’s right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Steele in the within proceedings dated May 2, 2023; (ii) all charges,

security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) all mortgages, pledges, charges, liens, debentures, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar instruments charging, or creating a security interest, in the real property set out in **Schedule “B”** hereto (the **“On the Mark Real Property”**) or any part thereof or interests therein, and any agreements, leases, options, easements, rights of way, restrictions, executions, claims or interests of any person or entity, including any predecessors in title, outstanding construction liens or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the On the Mark Real Property or any part thereof or interest therein; (iv) all rights of Homebuyers under the Optional Purchase Agreements entered into by On the Mark in respect of the On the Mark Real Property that are to be terminated or disclaimed in accordance with paragraph 9 of this Order ; and (v) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the **“Encumbrances”**, which term shall not include the permitted encumbrances, easements, restrictive covenants, and other matters listed on **Schedule “D”** hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets upon the delivery of the Receiver’s Certificate.

5. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to hold in trust the Lien Claims Reserve Fund to be paid by the Purchaser on or prior to Closing and to distribute the Lien Claims Reserve Fund in accordance with the Distribution Order (On the Mark) of this Court dated September 14, 2023.

6. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of York (No. 65) located at 50 Bloomington Road West, 3rd Floor, Aurora, Ontario, L4G 0L8 of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to (a) enter the Purchaser as the owner of the On the Mark Real Property in fee simple, (b) delete and expunge from title to the On the Mark Real Property all of the Claims listed on **Schedule “C”** hereto, and (c) register this Order on title to the On the Mark Real Property.

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. **THIS COURT ORDERS** that, immediately following the Optional Purchase Date, the Purchaser shall deliver to the Receiver and the Receiver's counsel a list of the Optional Purchase Agreements that constitute Approved Contracts in accordance with Section 5.3 of the APA (the "**Final Purchase Agreements List**").

9. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed:

- (a) on or prior to Closing, to terminate and disclaim the Optional Purchase Agreements listed on **Schedule "E"** hereto and, following the delivery of the Receiver's Certificate in accordance with this Order, such agreements shall cease to be continuing obligations effective against the On the Mark Real Property or binding on the Purchaser; and
- (b) on or as soon as practicable following the Optional Purchase Date, to terminate and disclaim the Optional Purchase Agreements that do not constitute Approved Contracts in accordance with Section 5.3 of the APA based on the Final Purchase Agreements List and, subject to the Purchaser complying with its obligations under Section 5.3 of the APA, such agreements shall not be continuing obligations effective against the On the Mark Real Property or binding on the Purchaser.

10. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof by the Receiver to the Purchaser.

11. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of On the Mark and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of On the Mark;

the vesting of the Purchased Assets in the Purchaser and the assignments pursuant to this Order and the other terms and provisions of this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of On the Mark and shall not be void or voidable by creditors of On the Mark, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

12. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its respective agents in carrying out the terms of this Order.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



Digitally signed by
Peter Cavanagh

Court File No. CV-23-00698576-00CL

IN THE MATTER OF THE RECEIVERSHIP OF STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**APPROVAL AND VESTING ORDER
(ON THE MARK)**

CASSELS BROCK & BLACKWELL LLP

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Lawyers for the Receiver (NAO Phase 1, Minu, On the Mark,
High Crown and Taurasi Holdings Receiverships)

Appendix “C”



Court File No. CV-23-00698576-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY, THE 14TH
)
JUSTICE CAVANAGH) DAY OF SEPTEMBER, 2023

BETWEEN

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC.,
STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND
STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**DISTRIBUTION ORDER
(ON THE MARK)**

THIS MOTION, made by KSV Restructuring Inc. ("**KSV**") in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") without security, of the property, assets and undertakings of each of the above noted Respondents, including their real property, pursuant to the Order (Appointing Receiver) of this Court dated May 2, 2023 (the "**Receivership Order**") for an order in respect of Stateview Homes (On the Mark) Inc. ("**On the Mark**"), *inter alia*, (i) approving the Second Report of the Receiver dated July 12, 2023 (the "**Second Report**") and the Third Report of the Receiver dated September 7, 2023 (the "**Third Report**") and the Receiver's conduct and activities described therein; (ii) approving the Receiver's statement of receipts and disbursements attached at Appendix "F" to the Third Report; (iii) approving the fees and disbursements of the Receiver and the Receiver's counsel, Cassels Brock

& Blackwell LLP (“**Cassels**”), as set out in the Affidavit of Noah Goldstein sworn on September 7, 2023 attached at Appendix “J” to the Third Report (the “**Goldstein Affidavit**”) and the Affidavit of Ryan Jacobs sworn on September 7, 2023 attached at Appendix “K” to the Third Report (the “**Jacobs Affidavit**” and, together with the Goldstein Affidavit, the “**Fee Affidavits**”), respectively; and (iv) authorizing and directing the Receiver to make certain payments and distributions and establish, hold and maintain certain reserves as recommended and described in the Third Report, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Receiver, the Second Report and the Appendices thereto, the Third Report and the Appendices thereto, the Fee Affidavits, and on hearing the submissions of counsel for the Receiver, the Purchaser (as defined below), KingSett Mortgage Corporation (“**KingSett**”), and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Alec Hoy sworn September 8, 2023,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement between the Receiver and 2077060 Ontario Inc. (the “**Purchaser**”) dated June 30, 2023 attached at Appendix “D” to the Third Report (the “**APA**”) or the Third Report, as applicable.

APPROVAL OF RECEIVER’S REPORTS, R&D AND FEES AND COSTS

3. **THIS COURT ORDERS** that the Second Report and the Third Report, and the activities of the Receiver described therein are hereby approved; provided that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the Receiver's statement of receipts and disbursements for the period from May 2, 2023 to August 31, 2023 attached at Appendix "F" to the Third Report is hereby approved.

5. **THIS COURT ORDERS** that, in accordance with paragraph 31(c) of the Receivership Order, the general fees, disbursements and costs incurred by the Receiver and Cassels in connection with this proceeding shall be allocated to each receivership estate in this proceeding on the basis set out in section 10.0 of the Third Report (the "**Allocation Methodology**") and the Receiver shall apply the Allocation Methodology to the allocation of further general fees, disbursements and costs incurred by the Receiver and Cassels in this proceeding.

6. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from April 12, 2023 to and including August 31, 2023 and those of Cassels from April 21, 2023 to and including August 31, 2023, as described in the Third Report and supported by the Fee Affidavits, are hereby approved and such amounts shall be paid from the proceeds of the Transaction (the "**OTM Purchase Proceeds**").

LIEN CLAIMS RESERVE FUND

7. **THIS COURT ORDERS** that the Receiver is authorized and directed to:

- (a) pay from time to time from the Lien Claims Reserve Fund any amounts in respect of Lien Claims (in aggregate up to the remaining amount held in the Lien Claims Reserve Fund and in each case in full and final satisfaction of the priority portion of such Lien Claim):
 - (i) with the written consent of the Purchaser, KingSett and the applicable holder of the Lien Claim; or
 - (ii) that are determined by Final Order to have priority over the security interest of KingSett against the On the Mark Real Property; and

- (b) on the date that is 180 days following Closing of the Transaction pursuant to the APA, return any balance then held in the Lien Claims Reserve Fund to the Purchaser.

RESERVE FOR OTHER PRIORITY CONSTRUCTION LIEN CLAIMS

8. **THIS COURT ORDERS** that no Assumed Trade Creditor shall be entitled to a payment or distribution from the cash proceeds received by the Receiver from the OTM Purchase Proceeds.

9. **THIS COURT ORDERS** that the Receiver is authorized and directed to establish, hold and maintain a reserve from the OTM Purchase Proceeds in the amount of \$50,000 (the “**Other Construction Lien Reserve**”) on account of the estimated maximum amount in respect of any other claims (collectively, the “**Other Lien Claims**” and each an “**Other Lien Claim**”) that could have priority over the security interest of KingSett against the On the Mark Real Property pursuant to section 78(2) of the *Construction Act*, R.S.O. 1990, c. C.30 (the “**Construction Act**”) and the Receiver is authorized and directed to pay from time to time from the Other Construction Lien Reserve any amounts in respect of Other Lien Claims (in aggregate up to the remaining amount held in the Other Construction Lien Reserve and in each case in full and final satisfaction of the priority portion of such claim) according to:

- (a) any such amounts that the Receiver determines, with the consent of KingSett and the applicable holder of the Other Lien Claim, to have priority over the security interest of KingSett against the On the Mark Real Property pursuant to section 78(2) of the *Construction Act*; or
- (b) further order of this Court.

OTM BANKRUPTCY RESERVE

10. **THIS COURT ORDERS** that the Receiver is authorized and directed to (i) reserve from the OTM Purchase Proceeds the amount of \$75,000 (the “**OTM Bankruptcy Reserve**”) and (ii) use the OTM Bankruptcy Reserve to fund the fees and costs of the bankruptcy of On the Mark in accordance with paragraph 4 of the Bankruptcy Order of this Court dated September 14, 2023 (the “**OTM Bankruptcy Order**”).

OTHER RESERVES

11. **THIS COURT ORDERS** that the Receiver is authorized and directed to establish, hold and maintain reserves from the OTM Purchase Proceeds as follows:

- (a) LIUNA Claims Reserve – in the amount of \$39,139.50 on account of the estimated maximum amount of the LIUNA Claim which could have priority over the security interest of KingSett, which may be paid or distributed as determined by the Receiver with the consent of KingSett and LIUNA or upon further order of this Court;
- (b) Realty Taxes Reserve – in the amount of \$63,000 on account of the estimated maximum amount pre-Closing realty taxes which could have priority over the security interest of KingSett, which may be paid or distributed as determined by the Receiver with the consent of KingSett or upon further order of this Court;
- (c) Professional Costs Reserve – in the amount of \$225,000 on account of additional fees, disbursements and costs of the Receiver and its counsel in connection with On the Mark, which may be paid or distributed upon further order of this Court; and
- (d) General Contingency Reserve – in the amount of \$125,000 on account of general operating costs and fees and other claims which may have priority to the security

interest of KingSett, which may be paid or distributed with the consent of KingSett or upon further order of this Court.

TRANSFER TO TLSFD TAURASI HOLDINGS CORP

12. **THIS COURT ORDERS** that, in accordance with section 8.2 of the Third Report, the Receiver is authorized and directed to pay from the OTM Purchase Proceeds the amount of \$171,949.83 to the receivership estate of TLSFD Taurasi Holdings Corp. to be held by the Receiver in trust to the credit of such estate.

KINGSETT DISTRIBUTION

13. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the balance of the OTM Purchase Proceeds, after deduction for the payments, distributions and reserves provided for in this Order, to KingSett as partial payment of the KingSett Indebtedness owing by On the Mark to KingSett, which shall be applied by KingSett to reduce such KingSett Indebtedness in accordance with the KingSett Mortgage Loan Security Documents.

GENERAL

14. **THIS COURT ORDERS** that notwithstanding anything else contained in this Order, each of the payments and distributions provided for in this Order shall be made free and clear of all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Steele in the within proceedings dated May 2, 2023; and (ii) all charges,

security interests, liens, trusts, or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property or real property registry system.

15. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and distributions pursuant to this Order shall be entitled to deduct and withhold from any such payment or distribution such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

16. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of On the Mark and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of On the Mark;

any payment or distributions made pursuant to this Order are final and irreversible and shall be binding on any trustee in bankruptcy that may be appointed in respect of On the Mark and shall not be void or voidable by creditors of On the Mark, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

17. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its respective agents in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

A digital signature in blue ink, appearing to read 'Peter Cavanagh', is enclosed in a light grey rectangular box with a red border.

Digitally signed by
Peter Cavanagh

IN THE MATTER OF THE RECEIVERSHIP OF STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**DISTRIBUTION ORDER
(ON THE MARK)**

CASSELS BROCK & BLACKWELL LLP

Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, ON M5H 0B4

Ryan Jacobs LSO#: 59510J

Tel: 416.860.6465
rjacobs@cassels.com

Joseph Bellissimo LSO#: 46555R

Tel: 416.860.6572
jbellissimo@cassels.com

Alec Hoy LSO#: 85489K

Tel: 416.860.2976
ahoy@cassels.com

Lawyers for the Receiver (NAO Phase 1, Minu, On the Mark,
High Crown and Taurasi Holdings Receiverships)

Appendix “D”

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

THE HONOURABLE

)

FRIDAY, THE 29TH

JUSTICE CONWAY

)

DAY OF SEPTEMBER, 2023

)

B E T W E E N :

DORR CAPITAL CORPORATION

Applicant

- and -

HIGHVIEW BUILDING CORP INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of the assets, undertakings and properties of Highview Building Corp Inc. (the “**Debtor**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and 2133904 Ontario Inc. (the “**Purchaser**”), as purchaser, dated August 10, 2023, and amended on August 25, 2023 (the “**Sale Agreement**”) and vesting in the Purchaser the Purchased Assets (as defined in the Sale Agreement), was heard this day.

ON READING the Receiver's Report to the Court and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Beatrice Loschiavo sworn September 22, 2023, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of the Purchased Assets described in the Sale Agreement, including, without limitation, all of the Debtor's right, title and interest in and to the real property listed on **Schedule "B"** hereto (the "**Real Property**"), shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of The Honourable Justice Steele made on May 2, 2023; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property*

Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject Real Property identified in **Schedule “B”** hereto in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

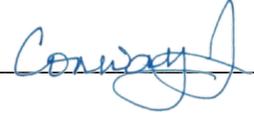
6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of any of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read 'Conway J.', is written over a horizontal line.

DORR CAPITAL CORPORATION

-and-

HIGHVIEW BUILDING CORP INC.

Applicant

Respondent

Court File No. CV-23-00698632-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeffrey Larry (LSO #44608D)
Tel: 416.646.4330
jeff.larry@paliareroland.com

Daniel Rosenbluth (LSO #71044U)
Tel: 416.646.6307
daniel.rosenbluth@paliareroland.com

Lawyers for the Receiver

Appendix “E”

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

THE HONOURABLE) FRIDAY THE 29TH DAY
JUSTICE CONWAY) OF SEPTEMBER, 2023

DORR CAPITAL CORPORATION

Applicant

- and -

HIGHVIEW BUILDING CORP INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985 c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

ANCILLARY RELIEF ORDER

THIS MOTION, made by KSV Restructuring Inc. ("**KSV**") in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") without security, of the property, assets and undertakings of Highview Building Corp Inc. ("**Highview**"), pursuant to the Order of this Court dated May 2, 2023 (the "**Receivership Order**"), for an order, among other things: (i) approving the Fourth Report of the Receiver dated September 22, 2023 (the "**Fourth Report**") and the Receiver's conduct and activities described therein; (ii) approving the fees and disbursements of the Receiver, as set out in the affidavit of Robert Kofman sworn September 22, 2023 and of the Receiver's counsel, Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**"), as set out in the Affidavit of Beatrice Loschiavo sworn September 22, 2023; and (iii) authorizing and directing the Receiver to make certain payments and distributions and establish, hold and

maintain certain reserves as recommended and described in the Fourth Report, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Receiver, the Fourth Report and the Appendices thereto, and on hearing the submissions of counsel for the Receiver, and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Beatrice Loschiavo sworn September 22, 2023.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Agreement of Purchase and Sale between the Receiver and 2133904 Ontario Inc. (the "**Purchaser**") dated August 10, 2023, and amended on August 25, 2023, attached at Appendix "G" to the Fourth Report (as amended, the "**APS**"), as applicable.

APPROVAL OF RECEIVER'S REPORTS, FEES AND COSTS

3. **THIS COURT ORDERS** that the Fourth Report, and the activities of the Receiver described therein are hereby approved provided that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that Confidential Appendices 1 and 2 to the Fourth Report be and are hereby sealed until the closing of the sale of the Purchased Assets (as defined in the Fourth Report).
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from the commencement of the receivership to and including August 31, 2023, as set out in the Affidavit of Robert Kofman sworn September 22, 2023 and attached at Appendix "I" to the Fourth Report, be and are hereby approved.
6. **THIS COURT ORDERS** that the fees and disbursements of Paliare Roland from the commencement of the receivership proceeding to and including August 31, 2023, as set out in the Affidavit of Beatrice Loschiavo sworn September 22, 2023 and attached at Appendix "J" to the Fourth Report, be and are hereby approved.

RESERVES

7. **THIS COURT ORDERS** that the Receiver is authorized and directed to establish, hold and maintain reserves from the proceeds of the Transaction (the "**Highview Purchase Proceeds**") as follows:
 - (a) the amount of \$1.7 million on account of the estimated maximum amount of the Marzanos' Claim (as defined in the Fourth Report), plus \$3,500 for costs (the "**Marzanos Holdback**"), which amounts may be paid out or distributed to Dorr (up to the total amount of Highview's indebtedness to Dorr), as determined by the Receiver, upon the resolution of the Marzanos' Claim;
and

- (b) the amount of \$150,000 on account of additional fees, disbursements and costs of the Receiver and its counsel in connection with Highview (the **“Professional Fee Holdback”**).

INITIAL DISTRIBUTION

8. **THIS COURT ORDERS** that the Receiver is authorized and directed to distribute the Highview Sale Proceeds to Dorr as partial payment of the balance owing by Highview to Dorr less: (i) the Marzanos Holdback; (ii) the unpaid professional fees described in the Fourth Report; and (iii) the Professional Fee Holdback.

SUBSEQUENT DISTRIBUTIONS

9. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make subsequent distributions to Dorr from the Marzanos Holdback (upon resolution of the Marzanos’ Claim) and/or the Professional Fee Holdback (to the extent not utilized to pay fees, disbursements and costs of the Receiver and its counsel in connection with Highview) up to the amount of indebtedness owing by Highview to Dorr.

GENERAL

10. **THIS COURT ORDERS** that notwithstanding anything else contained in this Order, each of the payments and distributions provided for in this Order shall be made free and clear of all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary

claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Steele dated May 2, 2023; and (ii) all charges security interests, liens, trusts, or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property or real property registry system.

11. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and distributions pursuant to this Order shall be entitled to deduct and withhold from any such payment or distribution such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

12. **THIS COURT ORDERS** that, notwithstanding:
 - (a) the pendency of these proceedings;

 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Highview and any bankruptcy order issued pursuant to any such application; and

(c) any assignment in bankruptcy made in respect of Highview;

any payment or distributions made pursuant to this Order are final and irreversible and shall be binding on any trustee in bankruptcy that may be appointed in respect of Highview and shall not be void or voidable by creditors of Highview, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.
14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its respective agents in carrying out the terms of this Order.

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



DORR CAPITAL CORPORATION
Applicant

-and-

HIGHVIEW BUILDING CORP INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West
35th Floor
Toronto, ON M5V 3H1
Tel: 416.646.4300
Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)
Tel: 416.646.4330
jeff.larry@paliareroland.com

Daniel Rosenbluth (LSO #71044U)
Tel: 416.646.6307
daniel.rosenbluth@paliareroland.com

Lawyers for the Receiver

Appendix “F”

Hoy, Alec

From: Merskey, Alan
Sent: Monday, September 25, 2023 4:41 PM
To: Slavens, Adam
Cc: Silver, Jon; Noel, Mike; Outerbridge, David; Noah Goldstein - KSV Advisory Inc. (ngoldstein@ksvadvisory.com); Bellissimo, Joseph; Hoy, Alec; Bobby Kofman; Jeffrey Larry - Paliare Roland Rosenberg Rothstein LLP (jeff.larry@paliareroland.com); Daniel.Rosenbluth@paliareroland.com
Subject: RE: Stateview re Tarion

Adam,

Further to the below, I am writing to provide you with the Receiver's reservation of rights, as discussed at the time that we were scheduling this in late July.

As noted then in general terms, the Receiver has not objected to the Tarion motion for, among other things, the remedy of a declaration of a constructive trust ("**Tarion Motion**") over the assets of the Stateview receivership entities on the basis of prematurity:

- (a) whether with respect to the absence of fully completed payments and subrogations, or
- (b) the absence of any direct evidence of fraud or removal of specific homebuyer deposits ("**Deposits**") through fraud or other actionable conduct.

As you are aware it is the Receiver's view that, in the circumstances of this case as they are known, Tarion is not at law and in principle entitled to the remedies sought on the Tarion Motion. The Receiver intends to contest the motion on that basis.

That said, should Tarion in any fashion obtain relief that gives rise in principle to the possibility of the remedies sought, it is the Receiver's further position that:

1. No final determination of liability in favour of Tarion can be made without proof of the exact fraud or other actionable conduct relied upon, which evidence is not before the court on the Tarion Motion,
2. No final determination of liability in favour of Tarion can be made without proving the elements of tracing to the Deposits, to the extent applicable, which evidence is not before the court on the Tarion Motion, and
3. No quantification of the amount of the estate assets subject to the remedies sought can be made without proper proof of same, which evidence is not before the court on the Tarion Motion.

The Receiver intends to assert these reservations of rights in its responding record, factum and submissions as appropriate. In so doing the Receiver does not intend to derogate from Tarion's efforts to streamline its claims and attempt to first address the threshold issue of entitlement in principle, and appreciates Tarion's efforts in that regard. Finally, and only for further clarity, it is not the Receiver's intention in asserting these reservations to attempt to obtain the dismissal of the Tarion Motion at the threshold, only to maintain and protect the subsequent rights or defences of the estate and its stakeholders depending upon the outcome.

Best regards

t: +1 416 860 2948
e: amerskey@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

From: Merskey, Alan
Sent: Thursday, August 31, 2023 10:26 AM
To: Slavens, Adam <aslavens@torys.com>
Cc: Silver, Jon <jsilver@torys.com>; Noel, Mike <mnoel@torys.com>; Outerbridge, David <douterbridge@torys.com>; Noah Goldstein - KSV Advisory Inc. (ngoldstein@ksvadvisory.com) <ngoldstein@ksvadvisory.com>; Bellissimo, Joseph <jbellissimo@cassels.com>; Hoy, Alec <ahoy@cassels.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Jeffrey Larry - Paliare Roland Rosenberg Rothstein LLP (jeff.larry@paliareroland.com) <jeff.larry@paliareroland.com>; Daniel.Rosenbluth@paliareroland.com
Subject: RE: Stateview re Tarion

That's fine. It's the receiver's reservation but it will be helpful to be on the same page. The comment was more to alert you it would not be ready to be included with your affidavit.

Cassels | **ALAN MERSKEY** *(he/him/his)*
Partner
t: +1 416 860 2948
e: amerskey@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

From: Slavens, Adam <aslavens@torys.com>
Sent: Thursday, August 31, 2023 10:20 AM
To: Merskey, Alan <amerskey@cassels.com>
Cc: Silver, Jon <jsilver@torys.com>; Noel, Mike <mnoel@torys.com>; Outerbridge, David <douterbridge@torys.com>; Noah Goldstein - KSV Advisory Inc. (ngoldstein@ksvadvisory.com) <ngoldstein@ksvadvisory.com>; Bellissimo, Joseph <jbellissimo@cassels.com>; Hoy, Alec <ahoy@cassels.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Jeffrey Larry - Paliare Roland Rosenberg Rothstein LLP (jeff.larry@paliareroland.com) <jeff.larry@paliareroland.com>; Daniel.Rosenbluth@paliareroland.com
Subject: Re: Stateview re Tarion

CAUTION: External Email

Thank you, Alan.

We would like an opportunity to review and comment on the reservation of rights language before it is put in the record.

P. 416.865.7333 | F. 416.865.7380 | 1.800.505.8679

On Aug 31, 2023, at 9:09 AM, Merskey, Alan <amerskey@cassels.com> wrote:

Sorry, I was finishing up an arbitration yesterday.

On the affidavit the Receiver notes that while it did indicate in the First Report it was considering an investigation, it has not in fact undertaken one at this point. You may wish to remove that point from your affidavit. We do not have any comments on the exhibits. I am not quite sure what you mean about the Receiver confirming your exhibits are acceptable, but we have no objection to the exhibits.

On the precise language on the Receiver's reservation of rights I won't be able to get that to you today. Among other things it will require internal review and stakeholder consultation. However we will include it with the Receiver's report or otherwise ensure it is available in the record.

Best regards

<image001.png>

ALAN MERSKEY (he/him/his)

Partner

t: +1 416 860 2948

e: amerskey@cassels.com

Cassels Brock & Blackwell LLP | cassels.com

Suite 3200, Bay Adelaide Centre – North Tower

40 Temperance St.

Toronto, Ontario M5H 0B4 Canada

From: Silver, Jon <jsilver@torys.com>

Sent: Wednesday, August 30, 2023 7:36 PM

To: Merskey, Alan <amerskey@cassels.com>

Cc: Slavens, Adam <aslavens@torys.com>; Noel, Mike <mnoel@torys.com>; Outerbridge, David <douterbridge@torys.com>

Subject: RE: Stateview re Tarion

CAUTION: External Email

Hi Alan,

Just following up on my previous emails.

Thanks,

Jon

Jon Silver

P. 416.865.8198 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

From: Silver, Jon

Sent: Tuesday, August 29, 2023 5:24 PM

To: amerskey@cassels.com

Cc: Slavens, Adam <aslavens@torys.com>; Noel, Mike <mnoel@torys.com>; Outerbridge, David <douterbridge@torys.com>

Subject: RE: Stateview re Tarion

Hi Alan,

Further to my email below, I attach the following proposed exhibits:

1. Sample Builder and Vendor Agreements (exhibits referred to in paragraph 6)
2. Globe & Mail articles (exhibits referred to in paragraph 8)
3. Sample APS (exhibit referred to in paragraph 13)
 1. The addendum, referred to in paragraph 14, is included in the Sample APS
4. Standard form Deposit Trust Agreement (exhibit referred to in paragraph 15)

Please note that we have not anonymized the sample APS, but will do so upon your agreement that the exhibit is acceptable. We have also not included court and receivership exhibits that you are familiar with. We will pull those from the KSV site.

We look forward to hearing from you.

Thanks,
Jon

Jon Silver

From: Silver, Jon

Sent: Monday, August 28, 2023 4:58 PM

To: amerskey@cassels.com

Cc: Slavens, Adam <aslavens@torys.com>; Noel, Mike <mnoel@torys.com>; Outerbridge, David <douterbridge@torys.com>

Subject: Stateview re Tarion

Hi Alan,

As per the litigation timetable in this matter, we attach our draft affidavit on the motion. Tomorrow we will be sending you the exhibits, including the sample agreements that are to be put in front of the Court. Once you have reviewed the material, please confirm that the exhibits are acceptable for this purpose and if you take issue with the facts as set out in the affidavit. We would like to reach agreement on as much as possible.

As you will also see, the affidavit mentions the reservation of rights point on the facts related to the fraudulent and similar conduct that you had raised with Adam – please send us the reservation of rights stipulation that you were thinking of so we can review and include in the affidavit.

We are happy to discuss further.

Thanks,
Jon

Jon Silver

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IN THE MATTER OF THE RECEIVERSHIP OF STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (NAO TOWNS II) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., HIGHVIEW BUILDING CORP INC., STATEVIEW HOMES (BEA TOWNS) INC., AND STATEVIEW HOMES (ELM&CO) INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**FIFTH REPORT OF KSV RESTRUCTURING INC. IN ITS CAPACITY AS
RECEIVER AND MANAGER OF STATEVIEW HOMES (MINU TOWNS) INC., et al**

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