

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY**

Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC.

Respondent

**MOTION RECORD
(returnable May 3, 2022)**

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**Lawyers for Alvarez & Marsal Canada
Inc., in its capacity as Court-Appointed
Receiver**

TO: SERVICE LIST

SERVICE LIST

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Alvarez & Marsal Canada Inc., Court-Appointed Receiver

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**ONTARIO
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BETWEEN:

**C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY**

Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC.

Respondent

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY**

Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC.

Respondent

NOTICE OF MOTION

ALVAREZ & MARSAL CANADA INC., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Ideal (BC) Developments Inc. (“**Ideal BC**” or the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, will make a motion to a judge presiding over the Superior Court of Justice, Commercial List (the “**Court**”) on Tuesday, May 3, 2022, at 10:00 a.m., or as soon after that time as the motion can be heard.

THE PROPOSED METHOD OF HEARING:

- ☐ In writing under subrule 37.12.1 (1) because it is (insert one of on consent, unopposed or made without notice);
- ☐ In writing as an opposed motion under subrule 37.12.1 (4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ **BY VIDEO CONFERENCE.**

at the following location:

Please refer to the conference details attached as **Schedule “A”** hereto in order to attend the motion and advise if you intend to join the motion by emailing Amy Casella at amy@chaitons.com.

THE MOTION IS FOR:

1. an order substantially in the form attached hereto as **Schedule “B”**, *inter alia*,
 - (a) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Amercan Corp. (“**Amercan**”) dated April 22, 2022 and appended to the Second Report of the Receiver dated April 25, 2021 (the “**Second Report**”); and
 - (b) vesting in Amercan or its assignee (the “**Purchaser**”) all of the Debtor’s right, title and interest in and to the real property known municipally as 8, 10, 12, 14, 16, and 18 Bostwick Crescent, and 2, 6, and 8 Bond Crescent, in the Town of Richmond Hill, Ontario (collectively, the “**Property**”), free and clear of all claims and encumbrances, including any and all claims by Unit Purchasers (as defined below);
2. an order sealing the confidential appendices to the Second Report pending completion of the Transaction;
3. an order authorizing and directing the Receiver to make distributions from the proceeds of the Transaction, as set out in the Second Report;
4. an order approving the activities of the Receiver as set out in the Second Report; and
5. such further and other relief that the Receiver may request and this Honourable Court may consider just.

THE GROUNDS FOR THE MOTION ARE:**Background**

1. The Receiver was appointed by Order of this Court dated December 17, 2021 (the **“Appointment Order”**).
2. Ideal BC is an Ontario company whose primary asset is the Property. The proposed development of the Property envisioned 72 townhome units, including 53 standard townhomes and 19 stacked townhomes, for total residential gross floor area of 171,149 square feet.
3. In early 2020, Ideal BC, with the assistance of multiple real estate agencies, began marketing and selling interests in units branded as **“Boss Luxury Townhomes”**.
4. The Receiver understands that between May 15, 2020 and June 1, 2021, Ideal BC entered into 28 agreements of purchase and sale (the **“Unit Purchaser Agreements”**) with unit purchasers (the **“Unit Purchasers”**) and collected \$5,453,510 of deposits (the **“Purchaser Deposits”**) in respect of same. The Purchaser Deposits ranged from 10% to 22% of the sale price of each townhome unit. The Receiver understands that the Purchaser Deposits were not held in trust by Ideal BC and that no cash currently remains on hand with Ideal BC in respect of same.
5. As of the date of the Receiver’s appointment, construction of the Project had not advanced beyond aggregation of land and work done to prepare and submit a site plan application, and no cash remained in any of Ideal BC’s bank accounts in respect of the Purchaser Deposits.

Sale Process

6. On January 25, 2022, this Court made an Order (the “**Sale Process Order**”) which, among other things, approved a marketing and sale process for Property (the “**Sale Process**”), including the engagement of Marcus & Millichap Real Estate Investments Services Canada Inc. (“**M&M**”) to assist in development and implementation of the Sale Process.

7. In accordance with the Sale Process Order, the Property was marketed extensively and interested parties were asked to submit offers by March 22, 2022 (the “**Bid Deadline**”).

8. Throughout the Sale Process, 44 groups executed confidentiality agreements and were provided access to an online data room containing substantial diligence information.

9. Six offers were submitted by the Bid Deadline, all of which required the Property to be conveyed free and clear of the Unit Purchaser Agreements.

10. Following negotiations with several parties, the Receiver selected an offer by a party related to Amercan Corporation, one of the mortgagees registered against the Property, as the successful bid. On April 22, 2022, Amercan and the Receiver finalized the Sale Agreement.

11. The Second Report includes a detailed summary of the marketing steps taken by the Receiver and M&M and the results of the Sale Process, including a summary of all offers received.

12. The Sale Agreement requires that an order be granted vesting the Property in the Purchaser free and clear of all claims and encumbrances, including any claims relating to the Unit Sales Agreements.

13. The Receiver recommends that the Court approve the Sale Agreement for the following reasons:

- (a) the Property was marketed by the Receiver and M&M in accordance with the Sale Process Order;
- (b) the Sale Process was robust and appropriately exposed the Property to the market on a broad basis to obtain the best transaction capable of being completed;
- (c) the Purchaser was treated in the same manner as all potential bidders and was not made aware of the number and quantum of any other bids;
- (d) the Purchaser has provided a material deposit, has demonstrated its financial ability to close transactions of similar size and nature and, based on the Receiver's understanding, has financing in place to close the transaction no later than 15 business days following court approval;
- (e) the Purchaser has completed substantial due diligence on the Property and has significant knowledge of the history of the project and has demonstrated a keen understanding of the issues related to future development through significant conversations with both M&M and the Receiver;
- (f) no further diligence is required by the Purchaser to complete the Transaction and the only substantial remaining condition to closing is issuance of a vesting order;
- (g) the Purchase Price is in excess of the value ascribed to the Property in an appraisal commissioned by the Receiver and completed by Avison Young in February 2022

and an appraisal commissioned by Ideal BC and completed by Colliers International in March 2021;

- (h) the Purchase Price represents the highest unconditional bid received during the Sale Process and the only bid which, in the view of the Receiver and M&M, was likely to result in a completed transaction in the near term without reductions to the stated purchase price; and
- (i) while the proceeds from the Transaction are not likely to result in any material recovery for unsecured creditors, sufficient funds will be generated to repay amounts owed under all registered mortgages (other than the debts owed to Amercan which are effectively being assumed by the Purchaser).

Proposed Distributions

14. If the Sale Agreement is approved and the sale of the Property to the Purchaser is completed, the Receiver seeks the Court's approval to make distributions to creditors as described in the Second Report.

15. The Receiver has obtained a legal opinion confirming that the mortgages registered on title to the Property are valid and enforceable, subject to certain assumptions and qualifications typically included in opinions provided to trustees or receivers in insolvency proceedings.

Sealing Order

16. The Confidential Appendices to the Second Report contain confidential and commercially sensitive information related to the Sale Process and the Transaction, including information

regarding the bids received through the Sale Process, which if disclosed would be harmful and materially prejudicial to the receivership estate and Ideal BC stakeholders in the event of any further marketing of the Property if the Transaction does not close as anticipated.

17. The Receiver recommends that this information be sealed pending closing of the Transaction

Other

18. Rules 2.03, 3.02, 16.01 and 37 of the *Rules of Civil Procedure* (Ontario).

19. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The Second Report.
2. Such further and other material as counsel may advise and this Honourable Court may permit.

April 25, 2022

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

George Benchetrit
Tel: (416) 218-1141
Email: george@chaitons.com

**Lawyers for Alvarez & Marsal Canada
Inc., in its capacity as Court-Appointed
Receiver**

TO: SERVICE LIST

Schedule “A” - Zoom Link

Topic: C&K Mortgage Services Inc. et al v. Ideal (BC) Developments Inc. - CV-21-00672848-00CL – Motion for Approval of Sale Transaction

Time: May 3, 2022 10:00 AM America/Toronto

Join Zoom Meeting

<https://us02web.zoom.us/j/4169172121?pwd=OFgrTkREeUFTWmQ1bTc4aWJQMlZmdz09>

Meeting ID: 416 917 2121

Passcode: 999439

Schedule “B” – Draft Approval and Vesting Order

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM)	TUESDAY, THE 3 RD
)	
JUSTICE GILMOUR)	DAY OF MAY, 2022

B E T W E E N:

**C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY**

Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of Ideal (BC) Developments Inc. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an Offer to Purchase (the “**Sale Agreement**”) between the Receiver and Amercan Corporation (the “**Purchaser**”) dated April ●, 2022 and appended as a Confidential Appendix to the Second Report of the Receiver dated April ●, 2022 (the “**Second Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the lands and premises located at 2, 6, and 8 Bond Crescent and 8, 10, 12, 14, 16, and 18 Bostwick Crescent, Richmond Hill, Ontario and legally described in Schedule “A” hereto (the “**Real Property**”), was heard this day by video conference due to the COVID 19 crisis.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver, • [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amy Casella sworn April •, 2022 [DATE] 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 Real Property 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 "B" hereto (the "**Receiver's Certificate**"), 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 Cavanagh dated December 17, 2021; (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 Real Property are hereby expunged and discharged as against the Real Property.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of York Region No. 65 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 Real Property in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Encumbrances listed in Schedule "C" hereto.

4. **THIS COURT ORDERS** that the Receiver or Purchaser with the prior written consent of the Receiver shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

5. **THIS COURT ORDERS** that, without in any way limiting the efficacy of paragraph 2 of this Order, the Purchaser shall not assume or be deemed to have assumed any obligations in respect of or arising out of any agreements of purchase and sale entered into by the Debtor ("**Unit Sale Agreements**") prior to the Receivership Order of Justice Cavanagh dated December 17, 2021, the Purchaser has not assumed or been assigned any rights in respect of or arising out of any Unit Sale Agreements, and no party to any Unit Sale Agreement shall have any right, interest or claim arising out of any Unit Sale Agreement as against the Real Property or the Purchaser.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Real Property shall stand in the place and stead of the Real Property, 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 Real Property with the same priority as they had with respect to the Real Property immediately prior to the sale, as if the Real Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

8. **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 Real Property 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 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.

9. **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.

Schedule "A" – Real Property

<i>PIN</i>	03196 - 0072 LT
<i>Description</i>	PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING
<i>Address</i>	AS IN R504810 8 BOSTWICK CR RICHMOND HILL
<i>PIN</i>	03196 - 0073 LT
<i>Description</i>	PT LT 63 PL 136 KING AS IN R209240
<i>Address</i>	10 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i>	03196 - 0074 LT
<i>Description</i>	PT LT 64 PL 136 KING AS IN R530013
<i>Address</i>	12 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i>	03196 - 0075 LT
<i>Description</i>	PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345
<i>Address</i>	14 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i>	03196 - 0076 LT
<i>Description</i>	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN R135070
<i>Address</i>	8 BOND CRESCENT RICHMOND HILL
<i>PIN</i>	03196 - 0077 LT
<i>Description</i>	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B
<i>Address</i>	6 BOND CRESCENT RICHMOND HILL
<i>PIN</i>	03196 - 0078 LT
<i>Description</i>	PT LT 66 PL 136 KING AS IN R690041
<i>Address</i>	16 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i>	03196 - 0079 LT
<i>Description</i>	PT LT 67 PL 136 KING AS IN R601987
<i>Address</i>	18 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i>	03196 - 0080 LT
<i>Description</i>	PT LT 67 PL 136 KING AS IN KI22033 EXCEPT R135070, B54438B, & R601987
<i>Address</i>	2 BOND CRESCENT RICHMOND HILL

Schedule “B” – Form of Receiver’s Certificate

Court File No. CV-21-00672848-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N:

**C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY**

Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (the “**Court**”) dated December 17, 2021, Alvarez & Marsal Canada Inc. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of Ideal (BC) Developments Inc. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated May 3, 2022 (“**Approval and Vesting Order**”), the Court approved the Offer to Purchase made as of April ●, 2022 (the “**Sale Agreement**”) between the Receiver and Amercan Corporation (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Real Property, which vesting is to be effective with respect to the Real Property upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Real Property; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Approval and Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Real Property payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on • _____, 2022.

**ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Court-Appointed
Receiver and Manager of Ideal (BC)
Developments Inc., and not in its personal
capacity**

Per: _____

Name:

Title:

Schedule “C” – Encumbrances to be deleted and expunged from title to Real Property

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
1.	YR2830041	2018/05/04	Charge	Feature Corp	All PINs
2.	YR2830046	2018/05/04	No Assgn Rent Gen	Feature Corp	All PINs
3.	YR2901113	2019/11/23	Notice	Feature Corp	All PINs
4.	YR2944756	2019/03/29	Charge	Feature Corp	All PINs
5.	YR2944763	2019/03/29	No Assgn Rent Gen	Feature Corp	All PINs
6.	YR3001386	2019/08/28	Notice	Feature Corp	All PINs
7.	YR3001387	2019/08/28	Notice	Feature Corp	All PINs
8.	YR3002006	2019/08/29	Postponement	Feature Corp to Amercan Corp	All PINs
9.	YR3002007	2019/08/29	Postponement	Feature Corp to Amercan Corp	All PINs
10.	YR3142297	2020/09/18	Apl Ch Name Owner	Ideal (BC) Developments Inc.	All PINs except 03196- 0072, 03196- 0073, 03196- 0074, and 03196-0075,
11.	YR3162185	2020/10/30	Charge	C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs
12.	YR3162186	2020/10/30	No Assgn Rent Gen	C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
13.	YR3163005	2020/10/30	Postponement	Feature Corp in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs
14.	YR3163006	2020/10/30	Postponement	Feature Corp in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs
15.	YR3163010	2020/10/30	Postponement	Fiera FP Real Estate Financing Fund, L.P. in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs
16.	YR3163171	2020/10/30	Charge	Feature Corp.	All PINs
17.	YR3163197	2020/10/30	No Assgn Rent Gen	Feature Corp.	All PINs
18.	YR3163198	2020/10/30	Charge	Feature Corp.	All PINs
19.	YR3163219	2020/10/30	No Assgn Rent Gen	Feature Corp.	All PINs
20.	YR3168055	2020/11/12	Postponement	Feature Corp in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
21.	YR3358639	2021/12/20	Apl Court Order	Alvarez & Marsal Canada Inc.	All PINs
22.	Writ – 21-0001648	2021/08/30	Court File No. CV-19-00614363-000	MarshallZehr Group Inc.	All PINs – filed against, <i>inter alia</i> , Ideal (BC) Developments Inc.

Reference to ALL PINs means the following PINs:

Municipal Addresses	PINs
8 Bostwick Road	03196-0072(LT)
10 Bostwick Road	03196-0073(LT)
12 Bostwick Road	03196-0074(LT)
14 Bostwick Road	03196-0075(LT)
6 Bond Crescent	03196-0077(LT)
16 Bostwick Road	03196-0078(LT)
2 Bond Crescent	03196-0080(LT)
8 Bond Crescent	03196-0076(LT)
18 Bostwick Road	03196-0079(LT)

**Schedule “D” – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Any reservations, restrictions, rights of way, easements or covenants that run with the land;
2. Any registered agreements with a municipality, region or supplier of utility service including, without limitations, electricity, water, sewage, gas, telephone or cable television or other telecommunication services;
3. All laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Property;
4. Any minor easements for the supply of utility services or other services to the Lands or Buildings, if any, or adjacent properties;
5. Encroachments disclosed by any error or omission in existing surveys of the Lands or neighbouring properties and any title defects, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the Lands and survey of the Lands and survey matters generally;
6. The exceptions and qualifications set forth in the *Registry Act* (Ontario) or the *Land Titles Act* (Ontario), or amendments thereto;
7. Any reservation(s) contained in the original grant from Crown;
8. Subsection 44(1) of the *Land Titles Act* (Ontario) except paragraphs 11 and 14.
9. Provincial succession duties and escheats or forfeiture to the Crown;
10. The rights of any person who would, but for the *Land Titles Act* (Ontario) be entitled to the Lands or any part of it through length of adverse possession, prescription, misdescription or boundaries settled by convention;
11. Any lease to which subsection 70(2) of the *Registry Act* (Ontario) applies; and

12. The following instruments registered on title to the Premises:

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
1.	IF351	1951/02/19	Bylaw		All PINs
2.	IF367	1952/04/28	Bylaw	The Corporation of the Township of King	All PINs
3.	YR3002005	2019/08/29	Charge	Amercan Corporation	All PINs
4.	YR2226826	2021/11/03	Charge	Amercan Corporation	All PINs

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY**

Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC.

Respondent

**SECOND REPORT TO COURT
OF ALVAREZ & MARSAL CANADA INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER
OF IDEAL (BC) DEVELOPMENTS INC.**

APRIL 25, 2022

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1.0 INTRODUCTION

- 1.1 This report (the “**Second Report**”) is filed by Alvarez & Marsal Canada Inc. (“**A&M**”) in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and property of Ideal (BC) Developments Inc. (“**Ideal BC**” or the “**Company**”), including the lands and premises located at 2, 6, and 8 Bond Crescent and 8, 10, 12, 14, 16, and 18 Bostwick Crescent, Richmond Hill, Ontario (collectively, the “**Property**”).
- 1.2 Pursuant to an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (the “**Court**”) made on December 17, 2021 (the “**Receivership Date**”) upon application (the “**Receivership Application**”) by C&K Mortgage Services Inc. and Canadian Western Trust Company (the “**Applicants**”), A&M was appointed Receiver of Ideal BC. A copy of the Appointment Order is attached hereto as **Appendix “A”**. A copy of the First Report to Court of the Receiver dated January 18, 2022 (the “**First Report**”), without appendices, is attached hereto as **Appendix “B”**.
- 1.3 On January 25, 2022, the Court made an Order (the “**Sale Process Order**”), which, among other things, approved a marketing and sale process for the Property, as described in Section 5 of the First Report, subject to such amendments to the sale process as deemed necessary or appropriate by the Receiver (the “**Sale Process**”), including the engagement of Marcus & Millichap Real Estate Investments Services Canada Inc. (“**M&M**”) to assist in development and implementation of the Sale Process. Copies of the Sale Process Order and Endorsement of Justice McEwen are attached hereto collectively as **Appendix “C”**.

2.0 TERMS OF REFERENCE AND DISCLAIMER

- 2.1 In preparing this Second Report, the Receiver has relied upon unaudited financial information, books and records and other documents provided by, and discussions with, the former management of Ideal BC (the “**Information**”).
- 2.2 The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.
- 2.3 The Receiver received from Ideal BC its general ledger (the “**GL**”). The Receiver has noted that the detail contained in the GL may not be complete or necessarily reliable due to identified non-balancing entries included in the GL and resulting adjustments to the Company’s retained earnings balance.
- 2.4 This Second Report has been prepared for the use of this Court and Ideal BC’s stakeholders as general information relating to the receivership proceeding and to assist the Court in making a determination of whether to approve the relief sought herein. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report different than the provisions of this paragraph.

- 2.5 The information contained in this Second Report is not intended to be relied upon by any investor or purchaser in any transaction with the Receiver.
- 2.6 Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.
- 2.7 Further information about Ideal BC, its background and copies of materials filed in the Proceedings are available on the Receiver's website at: www.alvarezandmarsal.com/idealbc (the "**Case Website**").

3.0 PURPOSE OF THIS REPORT

3.1 The purpose of this Second Report is to:

- (a) support the Receiver's motion for orders, among other things:
 - (i) approving the transaction (the "**Transaction**") contemplated by the Offer to Purchase between the Receiver and Amercan Corp. or assignee thereof (the "**Purchaser**"), together with any further minor amendments thereto which may be deemed necessary by the Receiver in its sole opinion (the "**Sale Agreement**");
 - (ii) vesting title to the Property in the Purchaser, free and clear of claims and encumbrances (including the Unit Purchaser Agreements, defined below), other than claims and encumbrances specifically provided for in the Sale Agreement, upon closing of the Transaction and the delivery of a Receiver's certificate to the Purchaser (the "**Vesting Order**");

- (iii) sealing the Confidential Appendices to the Second Report until the closing of the sale of the Property;
 - (iv) authorizing the Receiver to make the Distributions (as defined herein) to the Applicants, Feature Corp (“**Feature**”) and MarshallZehr Group Inc. (“**MarshallZehr**”); and
 - (v) approving this Second Report and the activities of the Receiver described herein;
- (b) report to the Court on the results of the Sale Process;
 - (c) provide a general update on key aspects of the receivership proceeding (the “**Receivership Proceeding**”), including the Receiver’s review of the respective claims of interests registered on title to the Property; and
 - (d) report to the Court on the Receiver’s activities since the date of the First Report.

4.0 BACKGROUND

- 4.1 Ideal BC is an Ontario company whose primary asset is the Property. Shajiraj Nadarajalingam (“**Shajiraj**”) is the sole officer and director of Ideal BC.
- 4.2 The proposed development of the Property envisioned 72 townhome units, including 53 standard townhomes and 19 stacked townhomes, for total residential gross floor area of 171,149 square feet (the “**Project**”).
- 4.3 In early 2020, Ideal BC, with the assistance of multiple real estate agencies, began marketing and selling interests in units branded as “Boss Luxury Townhomes”. As further

described in Section 6 below, the Receiver understands that between May 15, 2020 and June 1, 2021, Ideal BC entered into 28 agreements of purchase and sale with unit purchasers and collected in excess of \$6 million in deposits in respect of same. The Receiver understands that such deposits were not held in trust by Ideal BC and as of the Receivership Date, no cash remained related to the deposits in any Ideal BC bank account.

4.4 As of the Receivership Date, construction of the Project had not advanced beyond aggregation of land and work done to prepare and submit a site plan application. As described in the First Report, according to the website of the Home Construction Regulatory Authority (the “**HCRA**”), on August 4, 2021, the Company was charged with 10 counts of illegally acting as a builder in Richmond Hill, under section 6 of the *Ontario New Home Warranties Plan Act* (“**ONHWPA**”) and one count of failing to produce evidence described in a warrant under section 61(10) of the *New Home Construction Licensing Act (Ontario)* (“**NHCLA**”). On September 9, 2021, the HCRA issued a notice of proposal to refuse to grant a license to Ideal BC, which indicated that Ideal BC is in contravention of the NHCLA by entering into the sale agreements without a license under the NHCLA.

4.5 In an affidavit sworn on December 16, 2021 in this proceeding, Shajiraj deposed that the HCRA charges had been administratively dismissed and alleged that Tarion Corporation (“**Tarion**”) improperly rescinded the Company’s registration under the ONHWPA. While the Receiver has not independently investigated these matters, the Receiver notes that as of the date of this Second Report, the HCRA website still states that Ideal BC “is not

licensed with the HCRA and has been charged and/or convicted for operating without a license”.

5.0 SECURITY REVIEW SUMMARY

5.1 The Receiver has obtained a legal opinion from its independent counsel, Chaitons LLP (“**Chaitons**”) confirming that the charges registered against title to the Property as listed below (the “**Charges**”) are valid and enforceable, subject to certain assumptions and qualifications typically included in opinions provided to trustees or receivers in insolvency proceedings. A copy of the Chaitons opinion dated April 21, 2022 is attached as **Appendix “D”**.

5.2 The Receiver understands that the relative priorities of the Charges are as follows, based on their order of registration, postponements of interest granted and registered against the Property, and independent confirmation by each of the Applicants, Amercan Corp. (“**Amercan**”) and Feature (and/or their respective counsel):

- (a) First – the charge in favour of the Applicants in the principal amount of \$15 million (the “**C&K Charge**”);
- (b) Second – the charge in favour of Amercan in the principal amount of USD \$1 million (the “**Amercan \$1M Charge**”);
- (c) Third – the charge in favour of Feature in the principal amount of \$3 million (the “**Feature \$3M Charge**”);
- (d) Fourth – the charge in favour of Feature in the principal amount of \$2 million (the “**Feature \$2M Charge**”); and

- (e) Fifth – the charge in favour of Amercan in the principal amount of \$5 million (the “**Amercan \$5M Charge**”).

C&K Charge

- 5.3 The Receiver understands that the C&K Charge was granted by Ideal BC in favour of the Applicants in connection with a loan made by the Applicants to Ideal BC pursuant to a commitment letter dated September 29, 2020.
- 5.4 Based on the Receiver’s review of Ideal BC’s books and records, including a statement of advance, the Receiver is satisfied that the Applicants advanced funds pursuant to the commitment letter dated September 29, 2020, in part to refinance an existing mortgage on the Property, prepay interest and fees, and provide other amounts available to the Company.
- 5.5 The Applicants have produced a payout statement that shows that, as of April 18, 2022, the aggregate amount owed by Ideal BC to the Applicants and secured by the C&K Charge was approximately \$15.85 million for principal, interest, fees, and costs. A copy of C&K’s payout statement is attached as **Appendix “E”**. The Receiver is satisfied with the calculations in this payout statement.
- 5.6 As noted on the Applicants’ payout statement, the Applicants have included a credit balance of \$97,686 related to remaining funds held by the Applicants pursuant an amending agreement dated June 11, 2021. The Receiver reviewed the applicable account statements and transactions associated with the balance held by the Applicants and is satisfied with the calculations incorporated therein.

Amercan \$1M Charge

- 5.7 The Receiver understands that the Amercan \$1M Charge was granted by Ideal BC in favour of Amercan in connection with a loan made by Amercan to Ideal BC pursuant to a credit agreement dated August 22, 2019, as amended (the “**Amercan \$1M Commitment**”).
- 5.8 On August 24, 2020, Amercan transferred the Amercan \$1M Charge to Fiera LP Real Estate Financing Ltd. (“**Fiera**”) as security for the obligations of Jefferson Property Limited Partnership, Amercan and others to Fiera. Fiera has informed the Receiver that it is not claiming an interest in the Property in connection with the Amercan \$1M Charge.
- 5.9 Based on evidence provided by Amercan, the Receiver is satisfied that Amercan advanced funds to counsel to Ideal BC on or about August 29, 2019. In addition, the GL indicates that a USD \$1 million amount owing to Amercan was recorded on August 28, 2019.
- 5.10 Amercan has produced a payout statement that shows that, as of April 22, 2022, the aggregate amount owed by Ideal BC to Amercan and secured by the Amercan \$1M Charge was US\$1,714,739 for principal, interest, fees and costs. A copy of Amercan’s payout statement in respect of the Amercan \$1M Charge is attached as **Appendix “F”**. The Receiver is satisfied with the calculations in this payout statement, however notes that it excludes discharge fees, enforcement fees and other fees, costs and expenses that Amercan may be entitled to claim from Ideal BC.

Feature \$3M Charge

- 5.11 The Receiver understands that Ideal BC, Ideal (BC2) Developments Inc. (“**Ideal BC2**”) and 2490564 Ontario Inc. (“**0564 Ontario**”) granted a charge in favour of Feature in

connection with a \$2 million loan made by Feature to those entities pursuant to a commitment letter accepted by the borrowers on May 22, 2018 (the “**Feature Commitment Letter**”). The charge was registered on May 24, 2018, against the Property (other than 18 Bostwick Crescent). At that time, 18 Bostwick Crescent was owned by 2490568 Ontario Inc., which was not a party to the Feature Commitment Letter. The Feature Commitment Letter and charge were amended on various occasions in 2018 and 2019, including to increase the principal amount of the loan and charge to \$3 million.

5.12 The GL indicates that a loan payable was recorded as owing to Feature for \$2 million on May 24, 2018, and a further loan payable was recorded as owing to Feature for \$1 million on November 26, 2018 (collectively the “**Feature Advances**”). Based on evidence provided by Feature, the Receiver is satisfied that the Feature Advances, after adjusting for lender fees and legal fees, were advanced to Ideal BC¹. The GL also indicates that immediately upon receipt of the Feature Advances, Ideal BC advanced a similar amount to IDI Inc. (“**IDI**”), a related party also controlled by Shajiraj.

5.13 In October 2020, Feature, Ideal BC and parties related thereto entered into an Amalgamation, Assumption and Continuing Security Agreement (the “**Amalgamation, Assumption and Continuing Security Agreement**”) which provided, among other things, that a new \$3 million charge was to be registered on the Property on October 30, 2020, to (among other things) address the fact that 18 Bostwick Crescent had previously

¹ The Receiver has been provided with direction letters and trust statements indicating that, net of fees and costs, \$1.89 million and \$0.95 million was paid to Ideal BC’s solicitor, Nava Wilson LLP in respect of the Feature Advances. While the Receiver is not in possession of Ideal BC’s bank statements for the period in question, the GL indicates receipt of similar amounts.

been omitted from the previous charge in favour of Feature. The Feature \$3M Charge was registered on title to the Property on October 20, 2020. A copy of the Amalgamation, Assumption and Continuing Security Agreement is attached as **Appendix “G”**.

- 5.14 Feature has provided a payout statement that shows that, as of April 15, 2022, the aggregate amount owed by Ideal BC to Feature and secured by the Feature \$3M Charge was \$3,441,751 for principal, interest, fees, and costs. A copy of Feature’s payout statement is attached as **Appendix “H”**. The Receiver is satisfied with the calculations in this payout statement in respect of the Feature \$3M Charge.

Feature \$2M Charge

- 5.15 The Receiver understands that Ideal BC, Ideal BC2 and 0564 Ontario granted a charge in favour of Feature in connection with an Assumption and Amendment Agreement dated February 13, 2019 among Feature, Ideal BC and companies related thereto (the “**Assumption and Amendment Agreement**”). The charge was registered on March 29, 2019 against the Property (other than 18 Bostwick Crescent). A copy of the Assumption and Amendment Agreement is attached as **Appendix “I”**.
- 5.16 The Assumption and Amendment Agreement states, among other things, that:
- (a) Ideal (RD) Developments Inc. (“**Ideal RD**”) and Ideal (RD2) Developments Inc. (“**Ideal RD2**”) granted a \$2 million charge in favour of Feature over lands they owned municipally known as 5002 and 5014 14th Avenue, Markham, Ontario;
 - (b) Ideal BC, Ideal BC2, and 0564 Ontario “have received a transfer of” the \$2 million principal amount under the charge granted by Ideal RD and Ideal RD2; and

(c) Ideal BC, Ideal BC2, and 0564 Ontario agreed to assume liability for payment of the \$2 million owed to Feature and to grant the Feature \$2M Charge.

5.17 As with the Feature \$3M Charge, pursuant to the Amalgamation, Assumption and Continuing Security Agreement, a new \$2 million charge was to be registered on the Property on October 30, 2020 to (among other things) address the fact that 18 Bostwick Crescent had previously been omitted from the previous charge in favour of Feature. The Feature \$2M Charge was registered on title to the Property on October 20, 2020.

5.18 There is no indication in the GL that funds were received by Ideal BC from Ideal RD or Ideal RD2 as stated in the Assumption and Amendment Agreement, although the GL reflects that on April 1, 2019, there was a \$2 million increase in a receivable owed to Ideal BC by Ideal RD and a \$2 million payable recorded to Feature. As of the Receivership Date, the GL shows that Ideal RD owes Ideal BC \$2.04 million. The Receiver has demanded payment of that amount from Ideal RD but has had no response as of the date of this Second Report.

5.19 Feature's payout statement referenced in paragraph 5.14 above and Appendix H, shows that, as of April 15, 2022, the aggregate amount owed by Ideal BC to Feature and secured by the Feature \$2M Charge was \$2,290,434 for principal, interest, fees, and costs. The Receiver is satisfied with the calculations in this payout statement in respect of Feature \$2M Charge.

Amercan \$5M Charge

5.20 The Receiver understands that pursuant to an agreement dated October 19, 2015 (the "**Amercan \$5M Agreement**"), Amercan agreed to loan \$5 million to Ideal BC (the

Amercan \$5M Loan”). A copy of the Amercan \$5M Agreement is attached as **Appendix “J”**.

- 5.21 In connection with the Amercan \$5M Agreement: (a) a charge in the principal amount of \$5 million was granted in favour of Amercan and registered against the properties known as 2, 6 and 8 Bond Crescent and 16 and 18 Bostwick Crescent on October 28, 2015; and (b) a charge in the principal amount of \$5 million was granted in favour of Amercan and registered against the properties known as 8, 10, 12 and 14 Bostwick Crescent on January 5, 2016 (collectively, the **“Original Amercan \$5M Charges”**).
- 5.22 While the Receiver has not been able to obtain bank statements from Ideal BC for the period prior to 2019, the GL indicates that Ideal BC recorded a receipt of \$3 million from Amercan on October 26, 2015 and a further receipt of \$2 million from Amercan on November 16, 2015, consistent with the Amercan \$5M Agreement. Based on correspondence reviewed by the Receiver and conversations with Amercan, the Receiver understands that funding was provided by Amercan directly to Ideal BC by cheque. Amercan has provided the Receiver with banking information indicating cheques clearing an Amercan bank account for \$3 million on October 28, 2015 and \$2 million on November 13, 2015, which corresponds with entries in the GL.
- 5.23 The Amercan \$5M Agreement was amended pursuant to a Credit Agreement Amendment dated October 29, 2020 (the **“First Amendment”**) and a Second Credit Agreement Amendment dated March 10, 2021 (the **“Second Amendment”**). Copies of the First Amendment and the Second Amendment are respectively attached as **Appendices “K”** and **“L”**.

5.24 The Second Amendment states, among other things, that:

- (a) the balance owing at February 27, 2021 under the Original Amercan \$5M Charges was \$7,914,383, comprised of \$5,000,000 of principal and \$2,914,383 of accrued interest and fees;
- (b) Ideal (WC) Developments Inc. ("**Ideal WC**") and Ideal (JS) Developments Inc. ("**Ideal JS**") would provide Amercan guarantees of the Amercan \$5M Loan;
- (c) Ideal Developments Inc. ("**Ideal Developments**") and Shajiraj agreed to release and disclaim their right, title and interest in shares in Ideal Beach Property Holdings (PVT) Ltd. ("**Ideal Beach**") and to property owned by Ideal Beach in Sri Lanka;
- (d) Amercan agreed to reduce the amount of the Amercan \$5M Loan by \$3.5 million (the "**Amercan Loan Reduction**");
- (e) Amercan would discharge the Original Amercan \$5M Charges, however Ideal BC would continue to be liable to Amercan under the Amercan \$5M Agreement, as amended; and
- (f) the Ideal parties were to use all reasonable due diligence to obtain a new loan in the amount of at least \$4 million which may be secured against the Property (the "**Replacement Loan**").

5.25 Following the Amercan Loan Reduction, the amount outstanding pursuant to the Original Amercan \$5M Charges was reduced to \$4,414,383.

- 5.26 Counsel for Amercan has confirmed that Amercan received the aforementioned guarantees from Ideal WC and Ideal JS and the aforementioned releases from Ideal Development and Shajiraj. On March 16, 2021, Amercan discharged the Original Amercan \$5M Charges.
- 5.27 Pursuant to a Third Credit Agreement Amendment dated November 1, 2021 (the “**Third Amendment**”), Amercan and Ideal BC agreed (among other things) that, as the Replacement Loan did not materialize subsequent to the discharges of the Original Amercan \$5M Charges, charges substantially similar to the Original Amercan \$5M Charges were to be registered on title to the Property. A copy of the Third Amendment is attached as **Appendix “M”**.
- 5.28 On November 3, 2021, Amercan registered the Amercan \$5M Charge against the Property.
- 5.29 Amercan has produced a payout statement that shows that, as of April 22, 2022, the aggregate amount owed by Ideal BC to Amercan and secured by the Amercan \$5M Charge was \$5,335,273 for principal, interest, fees, and costs. A copy of Amercan’s payout statement is attached as **Appendix “F”**. The Receiver is satisfied with the calculations in this payout statement, however notes that it excludes discharge fees, enforcement fees and other fees, costs and expenses that Amercan may be entitled to claim from Ideal BC.

MarshallZehr Judgement

- 5.30 MarshallZehr filed a writ of seizure and sale with the Sheriff of the Regional Municipality of York (Newmarket), effective August 31, 2021, against Ideal BC and related parties (the “**MZ Writ**”) in connection with a judgment against those parties in the amount of \$162,071.09 plus costs of \$30,000, fees and interest accruing from March 11, 2021 (the “**MZ Judgment**”).

5.31 Pursuant to Section 14 of the *Creditors' Relief Act, 2010*, an execution creditor has priority over a charge registered subsequent to an execution. As the American \$5M Charge was registered against the Property on November 3, 2021, being after the filing date of the MZ Writ, the Receiver's understanding is that MZ is entitled to repayment of the MZ Judgment in priority to the American \$5M Charge.

5.32 In aggregate, as of April 15, 2022, the outstanding balances of the Charges are approximately \$29.5 million and are accruing interest at approximately \$8,850 per day.

6.0 UNIT PURCHASER AGREEMENTS AND RELATED PARTY TRANSACTIONS

6.1 As described above, the Receiver understands that as of the Receivership Date, Ideal BC is a party to 28 agreements of purchase and sale (each a "**Unit Purchaser Agreement**") with unit purchasers ("**Unit Purchasers**"), and has a recorded liability for deposits of \$5,453,510² in respect of same (the "**Purchaser Deposits**"). The Purchaser Deposits ranged from 10% to 22% of the sale price of each townhome unit.

6.2 Attached hereto as **Appendix "N"** is a copy of a Unit Purchaser Agreement, redacted to remove the name of the purchaser. Based on a review of the Unit Purchaser Agreements by Chaitons, it appears that all of the Unit Purchaser Agreements were substantially identical (differences included the lot numbers, purchasers, sale price, deposits and dates).

² Based on a review of the GL, in total it appears that Ideal BC collected \$6,353,510 in Purchaser Deposits and returned or credited \$900,000 for a net total Purchaser Deposit liability of \$5,453,510. The Receiver has not run any form of claims process and, as such, these amounts have not all been verified with Unit Purchasers.

6.3 The Receiver understands that the Purchaser Deposits were not held in trust by Ideal BC and, as of the Receivership Date, no cash remained in Ideal BC's bank account in respect of same. The Receiver has conducted a limited review of the cash account activity contained in the GL³ during the two-year period during which Ideal BC collected the Purchaser Deposits.

6.4 As summarized below, it appears that a substantial portion of the Purchaser Deposits were indirectly or directly transferred to parties related to Ideal BC.

Ideal (BC) Developments Inc.		
Summary of GL Cash Account Details 2020 - 2021		
	2020	2021
<i>Figures in CAD</i>		
Opening Cash Balance	\$ 140,035	\$ 46,355
<i>Receipts</i>		
Purchaser Deposits	4,725,267	1,628,243
IDI Inc.	1,349,550	1,650,797
Ideal Properties Inc.	318,100	-
Ideal (RD) Developments	66,189	-
Other	40,002	579
<i>Disbursements</i>		
IDI Inc.	(3,892,500)	(1,955,000)
Ideal Properties Inc.	(125,650)	-
Mortgage interest / financing fees	(2,238,827)	(421,913)
Purchaser Deposits returned	-	(700,000)
Land development costs	(335,186)	(248,851)
Other	(624)	-
Net Cash Flow	(93,680)	(46,144)
Closing Cash Balance	\$ 46,355	\$ 211

³ The Receiver's review was limited to the cash account activity contained in the GL. The Receiver's review did not include a comprehensive bank account review, invoice review or review of supporting documentation regarding same.

- 6.5 The GL indicates that: (a) in 2020, Ideal BC received over \$4.7 million of Purchaser Deposits, and transferred approximately \$3.9 million to IDI⁴, while receiving approximately \$1.3 million of funds from IDI; and (b) in 2021, Ideal BC received an additional \$1.6 million of Purchaser Deposits but returned \$700,000 of deposits to purchasers⁵ and transferred \$1.9 million to IDI, including \$103,000 two days prior to the Receivership Date.
- 6.6 Since its appointment, the Receiver has had numerous discussions and/or communications with Shajiraj and with counsel to Ideal BC, Freidman Law LLP (“**Freidman**”), in an attempt to understand the quantum and rationale for intercompany transactions, and in particular, details surrounding what appear to be significant transfers of funds from Ideal BC to related companies upon receipt of either loan proceeds or Purchaser Deposits. Among other things, the Receiver has specifically requested the general ledger details of IDI. In response to such requests, Shajiraj only provided limited insight into the use of funds and no specific details of the transactional activity of related parties, including a letter received on February 1, 2022 (the “**February 1st Letter**”) indicating that monies transferred by Ideal BC to IDI were “used to support Ideal Group's operation and also helped other project companies in the way just like Ideal (BC) got help from Ideal's sister

⁴ Amount includes \$500,000 paid by Ideal BC to a third party in respect of a letter of credit. The Receiver understands that, during 2020, the letter of credit was subsequently cancelled and the funds were returned to IDI Inc., not Ideal BC, therefore increasing the amount of net cash IDI Inc. received from Ideal BC.

⁵ The Receiver has not been provided any details in respect of the rationale for refund or return of any purchaser deposits, but notes that \$250,000 was returned in respect of Lot 30 and a subsequent deposit was received in respect of same.

companies when it was firstly set up”. A copy of the February 1st Letter is attached as **Appendix “O”**.

- 6.7 While the primary asset of the Company is the Property, based on the books and records of Ideal BC as of the Receivership Date, significant intercompany transactions have been recorded between Ideal BC and related companies. A summary of related party transactions and balances was provided by Freidman, however the information was not sufficiently detailed to ascertain the true use of funds transferred between Ideal BC and related parties. The below table sets out the balances owing to and from Ideal BC as of the Receivership Date based on information provided by Freidman.

Ideal (BC) Developments Inc. - Intercompany Balances		
As at December 17, 2021	<u>Receivable From</u>	<u>Payable To</u>
<i>Figures in CAD</i>		
Ideal Development Inc	2,726,802.75	
Ideal Properties Inc		4,373,533.00
Ideal (WC) Developments Inc		2,485,192.00
Ideal (JS) Developments Inc		245,160.00
Ideal Hope Foundation	4,500.00	
Ideal(MN) Developments Inc		49,062.59
Ideal(RD2) Developments Inc	419,547.03	
Ideal(RD) Developments Inc	2,043,036.19	
IDI Inc.	1,620,677.50	
Total:	6,814,563.47	7,152,947.59

- 6.8 On April 8, 2022, the Receiver issued letters to Ideal RD, Ideal Developments, IDI, and Ideal RD2 demanding repayment of intercompany balances owing to Ideal BC. Copies of these letters are attached as **Appendix “P”**. As of the date of this Second Report, no response to these letters has been received.

7.0 SALE PROCESS

7.1 In accordance with the Sale Process Order, marketing of the Property commenced on February 8, 2022. Interested parties were informed that the deadline for submission of offers for the Property was 5:00 p.m. on Tuesday, March 22, 2022 (the “**Bid Deadline**”).

7.2 Steps taken by the Receiver and M&M in connection with the marketing of the Property included the following:

- (a) providing email notification of the acquisition opportunity to approximately 2,000 investors / developers;
- (b) placing an advertisement of the acquisition opportunity in the Globe and Mail newspaper on Tuesday, February 15, 2022 and Thursday, February 17, 2022 (the “**Globe Advertisement**”);
- (c) posting the acquisition opportunity on the MLS system (the “**MLS Listing**”);
- (d) advertising the Property for sale in the Insolvency Insider on a weekly basis for the period of February 14, 2022 through March 25, 2022 (the “**Insolvency Insider Advertisement**”);
- (e) preparing a Confidential Information Memorandum (“**CIM**”) to provide to interested parties who entered into a Confidentiality Agreement (“**CA**”) with the Receiver;
- (f) with the assistance of Chaitons, preparing both “conditional” and “unconditional” template agreements of purchase and sale (the “**Template APSs**”) to provide to parties who intended to make an offer to purchase the Property, including specific

indication of whether an interested party was prepared to assume the Unit Purchaser Agreements;

- (g) engaging Evans Planning to assist the Receiver and potential purchasers in understanding the current status of the Property's proposed development;
- (h) engaging Pottinger Gaherty Environmental Consultants Ltd. to prepare an updated Phase I Environmental Site Assessment (the "**Updated Phase I ESA**") for the Property; and
- (i) establishing an online data room (the "**Data Room**") to provide substantial diligence information to parties that signed a CA.

Copies of the Globe Advertisement, the Insolvency Insider Advertisement, and the MLS Listing are attached collectively to this as **Appendix "Q"**.

- 7.3 During the Sale Process, Amercan informed the Receiver that it was considering making an offer for the Property, through a combination of cash and a credit bid of the amounts outstanding under Amercan \$1M Charge and the Amercan \$5M Charge (collectively the "**Amercan Debt**"). The Receiver informed Amercan that it was welcome to participate in the Sale Process, however, must participate through the process undertaken by M&M and would only receive information otherwise available to all potential bidders.
- 7.4 Throughout the Sale Process, 44 groups executed CAs and were provided access to the Data Room, including Amercan.
- 7.5 Six offers were submitted by the Bid Deadline, comprised of five marked up Template APSs and one letter of intent (the "**First Round Offers**"). The Receiver reviewed the First

Round Offers, including a summary prepared by M&M and the form of marked-up Template APSs. All of the First Round Offers required the Property to be conveyed free and clear of the Unit Purchaser Agreements.

- 7.6 After consultation with the Receiver, M&M provided four parties who submitted First Round Offers with the opportunity to resubmit improved offers by 5:00 p.m. on Monday, March 28, 2022 (the “**Second Round Bid Submission Deadline**”).
- 7.7 By the Second Round Bid Submission Deadline, M&M received two amended offers (the “**Second Round Offers**”) in the form of further marked-up Template APSs, while the two remaining bidders maintained their First Round Offers. As with the First Round Offers, all of the Second Round Offers required the Property to be conveyed free and clear of the Unit Purchaser Agreements.
- 7.8 The Second Round Offers included a clearly superior offer from 2011836 Ontario Corporation, a party related to Amercan (the “**Amercan Offer**”), which provided for a \$500,000 deposit, no further diligence or financing conditions, with the only remaining condition to close being the issuance of the Vesting Order. The Amercan Offer contained a significant cash component, and when combined with assumption of the Amercan Debt, results in a strong total valuation for the Property.
- 7.9 After consultation with the Receiver, M&M and the Receiver held further discussions in respect of the Amercan Offer in an effort to clarify and increase the overall value of the Amercan Offer. After extensive discussions, the Receiver selected the Amercan Offer as

the successful bid. On April 22, 2022, Amercan and the Receiver finalized the Sale Agreement⁶, a redacted copy of which is attached hereto as **Appendix “R”**.

7.10 A detailed report of the steps taken by M&M and specific results of the Sale Process, including a summary of Round One Offers and the Round Two Offers, is attached hereto as **Confidential Appendix “1”**.

7.11 An unredacted copy of the Sale Agreement is attached hereto as **Confidential Appendix “2”**. Key Aspects of the Sale Agreement are summarized in the following table (capitalized terms have the meanings ascribed to them in the Sale Agreement):

Purchase Price	Sealed pending completion of the Transaction. Details contained in Confidential Appendix “3” .
Deposit	A deposit in the amount of Five Hundred Thousand Dollars (\$500,000) (the “ Deposit ”) has been delivered to the Receiver.
Purchase Price Adjustments	The Purchase Price for the Property shall be adjusted as of the Closing Date in respect of realty taxes, flat/fixed water and sewer rates and charges, utility deposits, if any, and all other items usually adjusted with respect to Property similar to the Property that apply. Such adjustments shall be pro-rated where appropriate for the relevant period on the basis of the actual number of days elapsed during such period prior to the Closing Date itself to be apportioned to the Purchaser.
Approval and Vesting Order	It is a requirement of the Sale Agreement that the Property is conveyed to the Purchaser free and clear of existing mortgages, charges and notices registered against title to the Property, including the Unit Sales Agreements, but excluding Permitted Encumbrances.

⁶ In finalizing the Sale Agreement, the Purchaser was amended from 2011836 Ontario Corporation to Amercan.

Closing Date	Closing shall take place on the date which is fifteen (15) Business Days following the later of the granting of approval of the Sale Agreement by the Court and issuance of the Vesting Order, or such other date as the parties or their respective solicitors may mutually agree upon in writing (the “ Closing Date ”).
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- 7.12 In addition, the Sale Agreement requires that a Vesting Order be granted and contemplates the usual mechanism requiring the Receiver to deliver to the Purchaser a Certificate of the Receiver (in the form attached to the proposed Vesting Order), which will certify that all of the conditions in the Sale Agreement have been satisfied or waived, and that the balance of the Purchase Price (as defined in the Sale Agreement) has been paid in full by the Purchaser.
- 7.13 The Receiver recommends that the Court approve the Sale Agreement for the following reasons:
- (a) the Property was marketed by the Receiver and M&M in accordance with the Sale Process Order;
 - (b) the Sale Process was robust and appropriately exposed the Property to the market on a broad basis to obtain the best transaction capable of being completed;
 - (c) the Purchaser was treated in the same manner as all potential bidders and was not made aware of the number and quantum of any other bids;
 - (d) the Purchaser has provided a material deposit, has demonstrated its financial ability to close transactions of similar size and nature and, based on the Receiver’s understanding, has financing in place to close the transaction by the Closing Date;

- (e) the Purchaser has completed substantial due diligence on the Property and has significant knowledge of the history of the project and has demonstrated a keen understanding of the issues related to future development through significant conversations with both M&M and the Receiver;
- (f) no further diligence is required by the Purchaser to complete the Transaction and the only substantial remaining condition to closing is receipt of the Vesting Order;
- (g) the Purchase Price is in excess of the value ascribed to the Property in an appraisal commissioned by the Receiver and completed by Avison Young in February 2022 and an appraisal commissioned by Ideal BC and completed by Colliers International in March 2021 which are attached hereto as **Confidential Appendix “4”**;
- (h) the Purchase Price represents the highest unconditional bid received during the Sale Process and the only bid which, in the view of the Receiver and M&M, was likely to result in a completed transaction in the near term without reductions to the stated purchase price; and
- (i) while the proceeds from the Transaction are not likely to result in any material recovery for unsecured creditors, sufficient funds will be generated to repay amounts owed under the Charges (other than the debts owed to Amercan which are effectively being assumed by the Purchaser).

8.0 PROPOSED DISTRIBUTIONS

8.1 If the Sale Agreement is approved and the sale of the Property to the Purchaser is completed, the Receiver seeks the Court's approval to make a distribution or distributions upon closing of the Transaction to pay:

- (a) Receiver's Borrowings (defined below) plus interest and other chargeable amounts;
- (b) amounts owing to the Applicants under the C&K Charge, including interest, fees and other recoverable amounts;
- (c) amounts owing to Feature under the Feature \$3M Charge, including interest, fees and other recoverable amounts;
- (d) amounts owing to Feature under the Feature \$2M Charge including interest, fees and other recoverable amounts; and
- (e) amounts owing to MZ in respect of the MZ Judgement.

(collectively the "**Distributions**").

8.2 The below table summarizes amounts owing in respect of the Receiver's Borrowings and the Charges estimated as of April 15, 2022. Per-diem interest after April 15, 2022, the Applicants' legal fees in connection with these Receivership Proceedings and potential enforcement fees and other fees, costs and expenses that Amercan may be entitled to claim from Ideal BC will be in addition to the amounts noted below.

Ideal BC - Receivers Borrowing & Charges	
Estimated Balance at 04/15/2022	
<i>Figures in CAD</i>	
Receiver's Borrowings	\$ 153,442
C&K Charge	15,882,233
Amercan \$1M Charge	2,171,545
Feature \$3M Charge	3,441,751
Feature \$2M Charge	2,290,434
MZ Writ	192,071
Amercan \$5M Charge	5,322,400
Balance Due	\$ 29,453,875

8.3 As indicated above, the Receiver has obtained a legal opinion from Chaitons confirming that the Charges are valid and enforceable, subject to certain assumptions and qualifications typically included in opinions provided to trustees or receivers in insolvency proceedings.

8.4 The Receiver will retain sufficient funds to complete the Receivership proceeding pending further Order of this Court.

9.0 SEALING ORDER

9.1 The Confidential Appendices contain confidential and commercially sensitive information related to the Sale Process and the Transaction, including information regarding the bids received through the Sale Process, which if disclosed would be harmful and materially prejudicial to the receivership estate and Ideal BC stakeholders in the event of any further marketing of the Property if the Transaction does not close as anticipated.

9.2 The Receiver recommends that this information be sealed pending closing of the Transaction.

10.0 ACTIVITIES OF THE RECEIVER TO DATE

10.1 In addition to the activities described in detail in this Second Report, the Receiver has conducted the following activities since the date of the First Report:

- (a) arranged for a property appraisal and the Updated Phase 1 ESA;
- (b) maintained the Case Website;
- (c) managed the Receiver's trust account;
- (d) corresponded with M&M concerning the Sale Process;
- (e) reviewed information provided by the Company and the Applicants regarding the Property;
- (f) corresponded extensively with stakeholders in this proceeding, including mortgagees and Unit Purchasers;
- (g) carried out the Sale Process in accordance with the Sale Process Order including;
 - (i) reviewed and commented on the Template APSs;
 - (ii) reviewed and commented on the investment summary and CIM prepared by M&M;
 - (iii) assisted in compilation of and reviewed the contents the Data Room prepared by M&M;
 - (iv) reviewed and commented on the Globe Advertisement;
 - (v) reviewed all offers submitted in the Sale Process and consulted with M&M regarding same;

- (vi) negotiated and executed the Sale Agreement;
- (h) attended at Court in connection with obtaining the Sale Process Order;
- (i) arranged for appropriate fencing to remain in place on the Property and for abandoned buildings to be boarded up to comply with requirements of the City of Richmond Hill;
- (j) obtained appropriate insurance coverage for the Property; and
- (k) prepared this Second Report, and brought this motion.

11.0 RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

11.1 A summary of the Receiver's Interim Statement of Receipts and Disbursements for the period December 17, 2021 to April 14, 2022 (the "**Reporting Period**") is provided below:

Receipts & Disbursements	
<i>For the period of 12/17/21 to 04/14/2022</i>	
<i>Figures in CAD</i>	
Receipts	
Receiver's Certificate Advances	\$ 150,000.00
Total Receipts	\$150,000.00
Disbursements	
Professional Fees	\$ 99,045.67
Property Maintenance & Insurance	24,402.11
Interest	2,869.84
Bank Fees & Other	104.97
HST Paid	14,775.57
Total Disbursements	\$141,198.16
Net Cash Flow	\$ 8,801.84
Opening Cash Balance	\$ -
Net Cash Flow	8,801.84
Ending Cash Balance	\$ 8,801.84

11.2 Pursuant to the Appointment Order, the Receiver was authorized to borrow up to \$500,000 by way of Receiver's Certificates. As of the date of this Second Report, the Receiver has issued two Receiver's Certificates, totaling \$150,000. The Receiver's Certificates bear interest at 12% per annum and are subject to a 1% commitment fee (the "**Receiver's Borrowings**"). Pursuant to the Appointment Order, the Receiver's Borrowings are secured by the Receiver's Borrowings Charge which ranks in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, but subordinate in priority to the Receiver's Charge and certain other charges as set out in the BIA.

11.3 Disbursements for the period totaled \$140,746 and comprised primarily of:

- (a) professional fees of \$99,046 (including fees paid to the Receiver and the Receiver's independent counsel, Chaitons);
- (b) property maintenance and insurance costs of \$24,002;
- (c) HST paid on fees and costs of \$14,724; and
- (d) Receiver's Certificate interest, bank fees, and other costs of \$2,975

12.0 OTHER MATTERS

12.1 As noted above, the proceeds from the Transaction are not likely to result in any material recovery for unsecured creditors.

12.2 The Receiver has initiated discussions with Tarion, through its external counsel, in respect of the Unit Purchasers and Purchaser Deposits, and has been provided with a direct contact from Tarion with whom Unit Purchasers can communicate with any questions regarding their deposits and related matters. The Receiver and Tarion intend to continue to share

information in respect of Ideal BC and the Receivership Proceeding and the Receiver intends to provide Tarion with copies of the Unit Purchaser Agreements to assist potential Unit Purchaser claims with Tarion.

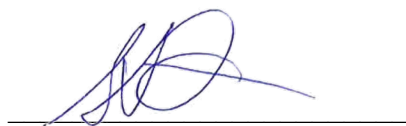
- 12.3 Following the anticipated closing of the Transaction, the Receiver intends to review with the Company's remaining economic stakeholders available alternatives for potential additional recoveries to be pursued, including but not limited to a bankruptcy of the Company and potential remedies against parties related to the Company.

13.0 CONCLUSIONS AND RECOMMENDATIONS

- 13.1 Based on the foregoing, the Receiver respectfully requests that Court make an order granting the relief sought in the Receiver's Notice of Motion and described in paragraph 3.1(a) of this Second Report.

All of which is respectfully submitted this 22nd day of April 2022.

**Alvarez & Marsal Canada Inc., in its capacity as Receiver of
Ideal (BC) Developments Inc., and not in its personal capacity**



Per: Stephen Ferguson
Senior Vice-President

Appendix A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF SECTION 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

THE HONOURABLE)	FRIDAY, THE 17th
)	
JUSTICE CAVANAGH)	DAY OF DECEMBER, 2021

**C & K MORTGAGE SERVICES INC. and
CANADIAN WESTERN TRUST COMPANY**

Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC.

Respondent

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicants for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”) appointing Alvarez & Marsal Canada Inc. as receiver and manager (in such capacities, the “Receiver”) without security, of all of the assets, undertakings and properties of the Respondent, Ideal (BC) Developments Inc. (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day by Zoom judicial videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Gary Gruneir sworn November 29, 2021 and the Exhibits thereto, the Affidavit of Shajiraj Nadarajalingam sworn December 16, 2021 and the Exhibits thereto and the Reply Affidavit of Gary Gruneir sworn December 17, 2021 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicants and counsel for the Debtor, counsel for Feature Corp., counsel for American Corporation, counsel for certain end purchasers of homes and counsel for Ryan Steckley appearing but not making submissions, no one appearing for Fiera LP Real Estate Financing Ltd., although duly served as appears from the affidavit of service of Michael McNally sworn December 7, 2021 and on reading the consent of Alvarez & Marsal Canada Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Alvarez & Marsal Canada Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including the lands and premises described in Schedule "A" attached hereto, and all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

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

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

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

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$200,000, provided that the aggregate consideration for all such transactions does not exceed \$800,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “Persons” and each being a “Person”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of

the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “Possession”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “Environmental Legislation”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in

pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “Receiver’s Borrowings Charge”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “B” hereto (the “Receiver’s Certificates”) for any amount borrowed by it pursuant to this Order.

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

SERVICE AND NOTICE

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

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

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

GENERAL

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

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. 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.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicants shall have their costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicants' security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

SCHEDULE "A"

LANDS AND PREMISES

PIN 03196 - 0072 LT *Interest/Estate* Fee Simple
Description PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING AS
IN R504810 ;
Address 8 BOSTWICK CR RICHMOND HILL

PIN 03196 - 0073 LT *Interest/Estate* Fee Simple
Description PT LT 63 PL 136 KING AS IN R209240
Address 10 BOSTWICK CRESCENT RICHMOND HILL

PIN 03196 - 0074 LT *Interest/Estate* Fee Simple
Description PT LT 64 PL 136 KING AS IN R530013 ;
Address 12 BOSTWICK CR RICHMOND HILL

PIN 03196 - 0075 LT *Interest/Estate* Fee Simple
Description PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345 ;
RICHMOND HILL
Address 14 BOSTWICK CR RICHMOND HILL

PIN 03196 - 0076 LT *Interest/Estate* Fee Simple
Description PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN R135070 ;
RICHMOND HILL
Address 8 BOND CRESCENT RICHMOND HILL

PIN 03196 - 0077 LT *Interest/Estate* Fee Simple
Description PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B ;
RICHMOND HILL
Address 6 BOND CRESCENT RICHMOND HILL

PIN 03196 - 0078 LT *Interest/Estate* Fee Simple
Description PT LT 66 PL 136 KING AS IN R690041 ;
Address 16 BOSTWICK CR RICHMOND HILL

PIN 03196 - 0079 LT *Interest/Estate* Fee Simple
Description PT LT 67 PL 136 KING AS IN R601987 ; RICHMOND HILL
Address 18 BOSTWICK CRESCENT RICHMOND HILL

PIN 03196 - 0080 LT *Interest/Estate* Fee Simple
Description PT LT 67 PL 136 KING AS IN KI22033 EXCEPT R135070, B54438B, &
R601987 ;
Address 2 BOND CRESCENT RICHMOND HILL

SCHEDULE “B”
RECEIVER CERTIFICATE

CERTIFICATE NO. •

AMOUNT \$•

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the receiver (the “Receiver”) of the assets, undertakings and properties Ideal (BC) Developments Inc. (the “Debtor”), including all proceeds thereof (collectively, the “Property”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) dated the • day of •, 20• (the “Order”) made in an application having Court file number •-CL-•, has received as such Receiver from the holder of this certificate (the “Lender”) the principal sum of \$•, being part of the total principal sum of \$• which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

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

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

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

DATED the • day of •, 20•.

ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Receiver of the Property,
and not in its personal capacity

Per:

Name:

Title:

C & K MORTGAGE SERVICES INC. et al.
Applicants

-and- **IDEAL (BC) DEVELOPMENTS INC.**
Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT
TORONTO

ORDER (APPOINTING RECEIVER)

DICKINSON WRIGHT LLP

Barristers & Solicitors

199 Bay Street

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Fax: (844) 670-6009

Lawyers for the Applicants

Appendix B

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY**

Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC.

Respondent

**FIRST REPORT TO COURT
OF ALVAREZ & MARSAL CANADA INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER
OF IDEAL (BC) DEVELOPMENTS INC.**

JANUARY 18, 2022

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1.0 INTRODUCTION

- 1.1 This report (the “**First Report**”) is filed by Alvarez & Marsal Canada Inc. (“**A&M**”) in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Ideal (BC) Developments Inc. (“**Ideal BC**” or the “**Company**”), including the lands and premises located at 2, 6, and 8 Bond Crescent and 8, 10, 12, 14, 16, and 18 Bostwick Crescent, Richmond Hill, Ontario (individually, the “**Properties**”, or collectively, the “**Property**”).
- 1.2 The appointment of the Receiver was made pursuant to an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (the “**Court**”) made on December 17, 2021 (the “**Receivership Date**”) upon application by C&K Mortgage Services Inc. and Canadian Western Trust Company (the “**Applicants**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.

2.0 TERMS OF REFERENCE AND DISCLAIMER

- 2.1 In preparing this First Report, the Receiver has relied upon unaudited financial information, books and records and other documents provided by, and discussions with, the former management of Ideal BC (the “**Information**”).
- 2.2 The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly,

the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.

2.3 This First Report has been prepared for the use of this Court and Ideal BC's stakeholders as general information relating to the receivership proceeding and to assist the Court in making a determination of whether to approve the relief sought herein. Accordingly, the reader is cautioned that this First Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report different than the provisions of this paragraph.

2.4 The information contained in this First Report is not intended to be relied upon by any investor or purchaser in any transaction with the Receiver.

2.5 Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.

2.6 Further information about Ideal BC, its background and copies of materials filed in the Proceedings are available on the Receiver's website at: www.alvarezandmarsal.com/idealbc (the "**Case Website**").

3.0 PURPOSE OF THIS REPORT

3.1 The purpose of this First Report is to:

- (a) provide background information regarding Ideal BC and the Property;

- (b) describe the Receiver's activities since the making of the Appointment Order and the Receiver's intended course of action in respect of the receivership proceeding (the **"Receivership Proceeding"**);
- (c) support the Receiver's motion for an order (the **"Sale Process Order"**), among other things:
 - (i) authorizing and directing the Receiver to conduct the Sale Process (as defined below) for the Property, including engaging Marcus & Millichap Real Estate Investment Services Canada Inc; and
 - (ii) approving this First Report and the activities of the Receiver described herein.

4.0 BACKGROUND

- 4.1 Further background with respect to Ideal BC, as well as a description of the circumstances leading to the appointment of the Receiver, are contained in the application record (the **"Application Record"**) filed by the Applicants and posted to the Case Website.
- 4.2 Ideal BC is a single purpose entity whose primary asset is the Property. According to the Company, it has no employees and has never had any employees since incorporation.
- 4.3 Ideal BC is part of the broader Ideal group of companies (the **"Ideal Group"**), who appear to have interests in a multitude of development projects across the GTA. Shajiraj Nadarajalingam is the principal of Ideal BC and of the other known companies comprising the Ideal Group.

- 4.4 Between October 27, 2014 and November 13, 2015, companies within the Ideal Group including Ideal BC, 2490564 Ontario Inc. (“**564 Ontario**”), 2490568 Ontario Inc. (“**568 Ontario**”) and Ideal (BC2) Developments Inc. (“**Ideal BC2**”) acquired the Properties. Although the Properties comprise nine separate parcels with separate street addresses, they are an assembly of development land at the northwest corner of Bond Crescent and Yonge Street in Richmond Hill. The Receiver understands that the Properties acquired by 564 Ontario and 568 Ontario were subsequently transferred to Ideal BC, and Ideal BC and Ideal BC2 were amalgamated in September 2020, leaving ownership of all Properties with Ideal BC.
- 4.5 While the primary asset of the Company is the Property, based on the books and records of Ideal BC as of December 30, 2021, as set out in the chart below, significant intercompany transactions have been recorded between the Company and other members of the Ideal Group.

Ideal (BC) Developments Inc. Intercompany Balances			
Per Trial Balance as of 12/30/2021			
<i>Figures in CAD \$ millions</i>			
Due from related parties		Due to related parties	
Ideal BC2 ⁽¹⁾	\$ 4.8	All other related parties	\$ 7.2
All other related parties	7.8		
Total	\$ 12.6	Total	\$ 7.2

(1) Pursuant to articles of amalgamation registered with the Ontario Government, on September 14, 2020 Ideal BC and Ideal BC2 were amalgamated.

- 4.6 Based on information received to date, the Receiver understands that the acquisition costs of each of the Properties as well as technical and feasibility reports and site plan application costs (the “**Development Costs**”) were financed from various sources including:

- (a) several different first mortgages provided by various lenders over time, culminating in the Applicants refinancing Romspen Investment Corporation in August 2020;
- (b) subordinated mortgages, registered on title to the Property between 2018 and 2021 (as described below);
- (c) unsecured funding from entities related to Ideal BC;
- (d) multiple Ideal BC special share subscription agreements entered into between March 3, 2013 and March 15, 2020 for amounts which the Receiver understands total approximately \$2 million as of December 30, 2021; and
- (e) Purchaser Deposits (as defined below) received between 2020 and 2021 (as described in more detail below).

4.7 As of the Receivership Date, charges against the Property¹ included:

- (a) a first-ranking mortgage with a face value of \$15 million, registered by the Applicants on October 30, 2020;
- (b) a second-ranking mortgage with a face value of \$1 million, registered by Amercan Corporation (“**Amercan**”) on August 29, 2019, and transferred to Fiera LP Real

¹ The priority ranking of these charges is based on a preliminary review of title abstracts and is still subject to review by the Receiver and its counsel. The Receiver will report to the Court with respect to the priority of these charges prior to the distribution of funds to creditors.

Estate Financing Ltd (“**Fiera**”). pursuant to a Transfer of Charge registered on August 24, 2020²;

- (c) a third-ranking mortgage with an original face value of \$2 million, registered by Feature Corp. (“**Feature**”) on May 24, 2018, and amended on November 23, 2018 (increased to \$3 million), August 28, 2019 and October 30, 2020;
- (d) a fourth-ranking mortgage with a face value of \$2 million, registered by Feature on March 29, 2019, and amended on August 28, 2019 and October 30, 2020; and
- (e) a fifth-ranking mortgage with a face value of \$5 million, registered by Amercan on November 3, 2021.

4.8 As further described in the Application Record, as a result of to the Company’s default of its obligations under the Applicants’ Mortgage, on November 2, 2021 the Applicants issued notices under Section 244(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) to the Company.

Proposed Development of the Property

4.9 As noted above, the Property is an assembly of development lands, in aggregate measuring 3.55 acres and zoned as Residential Multiple One (RM1) and Commercial (C). The Property is currently vacant except for three derelict homes which are uninhabitable. The

² The Receiver understands from Fiera that it is not claiming an interest in the Property.

Property is protected by modular fencing surrounding the entire property, which the Receiver has maintained in place.

- 4.10 The proposed development of the Property envisions 72 townhome units, including 53 standard townhomes and 19 stacked townhomes, for total residential gross floor area of 171,149 square feet. The Receiver understands that Ideal BC and related entities have completed the majority of the necessary technical and feasibility reports in respect of a development plan and related site plan application (“**SPA**”) in respect of the Property.
- 4.11 In September 2020, Ideal BC submitted an initial SPA to the City of Richmond Hill (the “**City**”). The City provided comments on this first submission on December 9, 2020, which included several required amendments to the SPA as originally submitted. Management of Ideal BC has indicated that, prior to the Receivership Date, the SPA was being modified as required with the intention to be resubmitted. As of the date of this Report, the Receiver understands that a revised SPA has not been submitted.

Townhome Unit Sales

- 4.12 In early 2020, Ideal BC, with the assistance of multiple real estate agencies, began marketing and selling units of Boss Luxury Townhomes. Sample marketing materials are included as **Appendix “B”**. Between May 15, 2020 and June 1, 2021, the Receiver understands that Ideal BC entered into 28 agreements of purchase and sale (each a “**Unit APS**”) with unit purchasers (“**Unit Purchasers**”), and collected \$5,453,510 of deposits (the “**Purchaser Deposits**”) in respect of same. The Purchaser Deposits ranged from 10% to 22% of the sale price of each townhome unit. The Receiver understands that the

Purchaser Deposits were not held in trust by Ideal BC and that no cash currently remains on hand with Ideal BC in respect of same.

- 4.13 As further described in the Application Record, according to the website of the Home Construction Regulatory Authority (the “**HCRA**”), on August 4, 2021, the Company was charged with 10 counts of illegally acting as a builder in Richmond Hill, under section 6 of the Ontario New Home Warranties Plan Act (“**ONHWPA**”) and one count of failing to produce evidence described in a warrant under section 61(10) of the New Home Construction Licensing Act (Ontario) (“**NHCLA**”). On September 9, 2021, the HCRA issued a notice of proposal to refuse to grant a license to Ideal BC, which indicated that Ideal BC is in contravention of the NHCLA by entering into the Unit APSs without a license under the NHCLA.
- 4.14 In an affidavit sworn on December 16, 2021 in this proceeding, Mr. Nadarajalingam deposed that the HCRA charges had been administratively dismissed and alleged that Tarion Corporation (“**Tarion**”) improperly rescinded the Company’s registration under the ONHWPA.
- 4.15 While the Receiver has not independently investigated the above noted matters, the Receiver notes that as of the date of this First Report, the HCRA website still states that Ideal BC “is not licensed with the HCRA and has been charged and/or convicted for operating without a license”.
- 4.16 The Receiver has initiated discussions with Tarion, through its external counsel, in respect of the Unit Purchasers and Purchaser Deposits. The Receiver and Tarion intend to continue to share information in respect of Ideal BC and the Receivership Proceeding. Unit

Purchasers have the option to contact Tarion directly with any questions regarding their deposits or related matters or obtain other information via its website at www.tarion.com.

5.0 SALE OF THE PROPERTY

5.1 Paragraph 3(j) of the Appointment Order authorizes the Receiver to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

5.2 To assist in marketing the Property, the Receiver requested and received listing proposals from four leading commercial real estate brokerages, including CBRE Limited, Marcus & Millichap Real Estate Investments Services Canada Inc. (“M&M”), Cushman & Wakefield ULC and Colliers International.

5.3 After review of the listing proposals and consultation with the Applicants, the Receiver has proposed to select M&M to assist in development and implementation of the real property sale process for the following reasons:

- (a) M&M is a leading commercial real estate brokerage firm in North America by transaction volume (over 5,600 properties in the past 12 months) with over 2,000 active agents;
- (b) the M&M team managing the mandate has extensive experience buying, selling, underwriting and managing projects involving undeveloped land;
- (c) the proposed commission rate is very competitive based on the Receiver’s experience selling real estate; and

(d) the Applicants support the engagement of M&M.

5.4 A copy of the proposed M&M listing agreement (the “**Listing Agreement**”) is attached hereto as **Appendix “C”**. The Listing Agreement provides that upon the successful completion of sale of the Property, a commission equivalent to 1.15% will be payable to M&M. In the event a cooperating brokerage represents the purchaser (a “**Cooperating Brokerage**”), the commission shall be increased to 1.65% and M&M will pay the Cooperating Brokerage a fee of 0.50%.

5.5 The Receiver seeks the approval of the Court in respect of the following process for the submission of bids and ultimate sale of the Property (the “**Sale Process**”) based on Court approval being granted on January 25, 2022:

Phase 1 – Preparation Phase (approximately two weeks)

The Receiver and M&M will:

- (a) prepare a Confidentiality Agreement (“**CA**”) for distribution to prospective purchasers;
- (b) prepare a teaser letter, advertisements and a confidential information memorandum (“**CIM**”) in respect of the acquisition opportunity;
- (c) correspond with the City and Property consultants to understand current development status/update reports as necessary;
- (d) establish a comprehensive electronic data room (the “**Data Room**”) to aggregate access to confidential information pertaining to the Property; and

- (e) prepare template forms of agreement of purchase and sale (“**APSs**”) for both conditional and unconditional offers.

Phase 2 – Sale Phase (approximately six weeks)

Formal marketing of the property will commence on or before February 8, 2022 and consists of the following steps:

- (a) M&M will target prospective purchasers through a combination of direct contact, email solicitations, advertisements, MLS listing, and physical signage;
- (b) interested parties who have executed a CA will be provided the CIM and access to the Data Room, and the Receiver and M&M will coordinate further due diligence;
- (c) APSs will be provided to prospective purchasers to facilitate a proper comparison of offers that may be received and to minimize the time required to negotiate separate forms of offers with multiple parties, in order to determine the highest and best overall offer on an efficient basis;
- (d) bids in the form of a marked-up APS are to be submitted to M&M no later than 5:00 p.m. (Eastern Time) on Tuesday, March 22, 2022 or such other date or time as may be agreed by the Receiver and M&M (the “**Bid Deadline**”);
- (e) the Receiver and M&M shall evaluate any and all bids on various grounds, including, but not limited to, purchase price, conditionality and certainty of closing; and
- (f) upon selection of a successful bidder, the Receiver will bring a motion to the Court to obtain approval of the successful bid, including approval of the APS and a vesting order in respect of same.

- 5.6 The Receiver, in consultation with M&M, shall have the right to modify and/or adopt such other rules for the Sale Process as it considers appropriate.
- 5.7 The Appointment Order provides that all Persons shall advise the Receiver of the existence of any books, documents, contracts, orders, corporate and accounting records, and any other information related to the business or affairs of the Company, and permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to such documents. As of the date of this Report, management of Ideal BC and the Ideal Group have provided the Receiver with information in respect of the Property's history and proposed development, including but not limited to marketing materials, wind, traffic, geological, and environmental studies, architectural drawings, site plan application information and other information (the "**Property Information**"). The Receiver notes that certain of these documents were commissioned by or prepared for related entities within the Ideal Group, though the information relates to the Property. It is the intent of the Receiver to include the Property Information in the Data Room for prospective purchasers (subject to the prospective purchaser executing a CA).
- 5.8 The Receiver recommends that the Court issue an order approving the Sale Process as it is of the view that it is a fair, open and transparent process intended to canvass the market broadly in order to obtain the highest and best offer for the Property.

6.0 ACTIVITIES OF THE RECEIVER TO DATE

6.1 Following the issuance of the Appointment Order, the Receiver:

- (a) attended at and photographed the Property, secured the premises and posted signage in respect of the Receivership Proceeding;
- (b) opened a trust bank account;
- (c) obtained information regarding the Property including books and records relating to Ideal BC;
- (d) held discussions with the management of Ideal BC and obtained information from Ideal BC in respect of the proposed development of the Property;
- (e) held discussions with various Unit Purchasers and representative legal counsel for others, and obtained information from same regarding Unit APSs entered into and Purchaser Deposits made;
- (f) held preliminary discussions with legal counsel for Tarion in respect of the Purchaser Deposits;
- (g) obtained insurance coverage for the property;
- (h) engaged independent counsel, Chaitons LLP;
- (i) sought a proposal for an independent appraisal of the Property and engaged Avison Young in respect of same;
- (j) solicited proposals from prospective sales agents in respect of the Sale Process;


- (k) arranged for interim funding from the Applicants (through a Receiver's Certificate) in the amount of \$50,000 to fund appraisal, legal and other costs in respect of the Receivership Proceeding;
- (l) registered a copy of the Appointment Order against title to the Property;
- (m) established the Case Website for the Receivership Proceeding and updated it accordingly;
- (n) issued the notice required pursuant to Sections 245 and 246 of BIA to known creditors of Ideal BC and the Property as well as an amended copy of such notice upon receipt of financial information from Ideal BC, copies of which are attached as **Appendix "D"**; and
- (o) prepared this First Report, and brought this motion.

7.0 CONCLUSIONS AND RECOMMENDATIONS

Based on the foregoing, the Receiver respectfully requests that Court make an order granting the relief sought in the Receiver's Notice of Motion and described in paragraph 3.1(c) of this First Report.

All of which is respectfully submitted this 18th day of January, 2022.

**Alvarez & Marsal Canada Inc., in its capacity as Receiver of
Ideal (BC) Developments Inc., and not in its personal capacity**

A handwritten signature in blue ink, appearing to be 'SF', is written over a horizontal line.

Per: Stephen Ferguson
Senior Vice-President

Appendix C

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	TUESDAY, THE 25 TH DAY
)	
JUSTICE MCEWEN)	OF JANUARY, 2022

BETWEEN:

**C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY**

Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC.

Respondent

ORDER

THIS MOTION, made by Alvarez & Marsal Canada Inc., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of Ideal (BC) Developments Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*: (a) authorizing and directing the Receiver to conduct the sale process described in the First Report of the Receiver dated January 18, 2022 (the “**First Report**”), including the engagement of Marcus & Millichap Real Estate Investment Services Canada Inc. (“**M&M**”); and (b) approving the activities of the Receiver as described in the First Report, was heard this day at Toronto via Zoom videoconference.

ON READING the First Report and on hearing the submissions of counsel for the Receiver and for the Applicants and for such other parties as reflected in the Participant Information Form, filed:

1. THIS COURT ORDERS that the Receiver is hereby authorized and directed to conduct the sale process described in the First Report, including the engagement of M&M.
2. THIS COURT ORDERS that the activities of the Receiver as set out in the First Report are hereby approved.



C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY

-and- IDEAL (BC) DEVELOPMENTS INC.

Applicants

Respondent

Court File No. CV-21-00672848-00CL

25 Jan 22

Order to go as per the draft filed and signed.
The sales process is fair and reasonable. Activities of the Receiver
are approved.
The motion is unopposed.



ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

ORDER

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

George Benchetrit
Tel: (416) 218-1141
Email: george@chaitons.com

**Lawyers for Alvarez & Marsal Canada Inc., in its
capacity as Court-Appointed Receiver**

Appendix D

April 21, 2022

VIA EMAIL

Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, ON M5J 2J1

Attention: Stephen Ferguson

Re: Ideal (BC) Developments Inc. (the "Debtor")

Dear Mr. Ferguson,

On December 17, 2021, the Ontario Superior Court of Justice (Commercial List) appointed Alvarez & Marsal Canada Inc. as receiver (the "**Receiver**") over, among other things, real property municipally known as 8, 10, 12, 14, 16 and 18 Bostwick Crescent, Richmond Hill, Ontario and 2, 6, and 8 Bond Crescent, Richmond Hill, Ontario, and legally described as set out in **Schedule "A"** hereto (collectively, the "**Property**").

A summary of the Debtor's acquisition of the Property is set out in **Schedule "B"** hereto.

In your capacity as Receiver, you have requested that we review the charges/mortgages listed below (collectively, the "**Mortgages**") held by C & K Mortgage Services Inc. and Canadian Western Trust Company (collectively, "**C&K**"), Feature Corp. ("**Feature**") and Amercan Corporation ("**Amercan**") (collectively, the "**Mortgagees**"), and determine their validity and enforceability as against the Debtor and the Property.

In connection with our review of the Mortgages, we have also reviewed the postponements granted with respect to the Mortgages listed below (collectively, the "**Postponements**").

Mortgages

1. Charge/Mortgage of Land granted by the Debtor in favour of C&K in the principal amount of \$15.0 million registered against the Property on October 30, 2020 as instrument number YR3162185 (the "**C&K Mortgage**").
2. Charge/Mortgage of Land granted by the Debtor, Ideal (BC2) Developments Inc. ("**Ideal (BC2)**") 2490564 Ontario Inc. ("**2490564**") and 2490568 Ontario Inc. in favour of Amercan in the principal amount of USD \$1.0 million registered against the Property on August 29, 2019 as instrument number YR30002005, subsequently transferred by Amercan to Fiera FP Real Estate Financing Fund, L.P. ("**Fiera**"), pursuant to a Transfer of Charge registered against the Property on August 24, 2020 as instrument number YR3132520, as security for the obligations of Jefferson Properties Limited Partnership ("**Jefferson**"), Amercan and others to Fiera pursuant to a commitment letter dated November 22, 2019 (the "**Amercan \$1M Mortgage**").¹
3. Charge/Mortgage of Land granted by the Debtor, Ideal (BC2) and 2490564 in favour of Feature in the principal amount of \$2.0 million registered against 8, 10, 12, 14 and 16 Bostwick Crescent and 2, 6 and 8 Bond Crescent on May 24, 2018 as instrument number YR2830041, as amended by a Charge Amending Agreement dated November 22, 2018 registered on November 23, 2018 as instrument number YR2901113 increasing the principal amount to \$3.0 million, as amended by an Amending Agreement dated August 23, 2019 registered on August 28, 2019 as instrument number

¹ Fiera has notified the Receiver that it does not have an interest in the Debtor or the Property.

YR3001386, as amended by a Charge/Mortgage of Land granted by the Debtor in favour of Feature in the principal amount of \$3.0 million registered against the Property on October 30, 2020 as instrument YR3163171 (the “**Feature \$3.0 Million Mortgage**”).

4. Charge/Mortgage of Land granted by the Debtor, Ideal (BC2) and 2490564 in favour of Feature in the principal amount of \$2.0 million registered against 8, 10, 12, 14 and 16 Bostwick Crescent and 2, 6 and 8 Bond Crescent on March 29, 2019 as instrument number YR2944756, as amended by an Amending Agreement dated August 23, 2019 registered on August 28, 2019 as instrument number YR3001387 and amended by the Charge/Mortgage of Land granted by the Debtor in favour of Feature in the principal amount of \$2.0 million registered against the Property on October 30, 2020 as instrument YR3163198 (the “**Feature \$2.0 Million Mortgage**”).
5. Charge/Mortgage of Land granted by the Debtor in favour of Amercan in the principal amount of \$5.0 million registered against the Property on November 3, 2021 as instrument number YR3336826 (the “**Amercan \$5M Mortgage**”).

Postponements

6. Postponement of Interest granted by Feature in favour of Amercan registered against the Property on August 29, 2019 as instrument number YR3002006.
7. Postponement of Interest granted by Feature in favour of Amercan registered against the Property on August 29, 2019 as instrument number YR3002007.
8. Postponement of Interest granted by Feature in favour of C&K registered against the Property on October 30, 2020 as instrument number YR3163005.
9. Postponement of Interest granted by Feature in favour of C&K registered against the Property on October 30, 2020 as instrument number YR3163006.
10. Postponement of Interest granted by Fiera in favour of C&K registered against the Property on October 30, 2020 as instrument 3163010.
11. Postponement of Interest granted by Feature in favour of C&K registered against the Property on November 12, 2021 as instrument number YR3168055.

A. OPINION

Subject to the assumptions and qualifications hereinafter set out, we are of the opinion that:

Mortgages

1. The C&K Mortgage provides C&K with a valid and enforceable registered charge/mortgage over the Property.
2. The C&K Mortgage secures payment of any and all amounts owing by the Debtor to C&K pursuant to a commitment letter dated September 29, 2020 (and any amendments thereto, if applicable).
3. The Amercan \$1M Mortgage provides Amercan with a valid and enforceable registered charge/mortgage over the Property.
4. The Amercan \$1M Mortgage secures payment of any and all indebtedness and liabilities of the Debtor to Amercan.

5. The Feature \$3.0 Million Mortgage provides Feature with a valid and enforceable registered charge/mortgage over the Property.
6. The Feature \$3.0 Million Mortgage secures payment of the principal amount of \$3.0 million, interest secured by the charge, and costs.
7. The Feature \$2.0 Million Mortgage provides Feature with a valid and enforceable registered charge/mortgage over the Property.
8. The Feature \$2.0 Million Mortgage secures payment of the principal amount of \$2.0 million, interest secured by the charge, and costs.
9. The Amercan \$5M Mortgage provides Amercan with a valid and enforceable registered charge/mortgage over the Property.
10. The Amercan \$5M Mortgage secures payment of the principal amount of \$5.0 million, interest secured by the charge, and costs.

Priority of the Mortgages

Based on our review of the Postponements, we are of the view that:

- (a) the C&K Mortgage is the first ranking registered charge/mortgage over the Property.
- (b) the Amercan \$1M Mortgage is the second ranking registered charge/mortgage over the Property
- (c) the Feature \$3.0 Million Mortgage is the third ranking registered charge/mortgage over the Property.
- (d) the Feature \$2.0 Million Mortgage is the fourth ranking registered charge/mortgage over the Property.
- (e) the Amercan \$5M Mortgage is the fifth ranking registered charge/mortgage over the Property.

With respect to the Amercan \$5M Mortgage, we note that it was registered on November 3, 2021. Prior to that date, on August 30, 2021, MarshallZehr Group Inc. ("**MarshallZehr**") registered a writ of execution against the Debtor, amongst others, with the Sheriff of the Regional Municipality of York with respect to a judgment in the amount of \$162,071.09 and costs in the amount of \$30,000.

Pursuant to section 14 of the *Creditors' Relief Act* (Ontario), MarshallZehr's writ of execution has priority over the Amercan \$5M Mortgage with respect to the Debtor's interest in the Property.

B. SEARCHES

1. A Profile Report obtained on March 22, 2022 from Ministry of Government and Consumer Services indicates that the Debtor was incorporated on September 14, 2020 by way of an amalgamation as "Ideal (BC) Developments Inc."
2. We conducted subsearches against the Property in the Land Registry Office for the Land Titles Division of York Region (#65) on February 22, 2022. These searches revealed those instruments listed on **Schedule "C"** hereto that were registered by or in connection with the Mortgagees.
3. We also obtained an Ontario Writ Locator report with respect to the Debtor regarding outstanding writs of executions as at February 2, 2022. The search evidenced writs effective as of August 31,

2021 registered in favour of MarshallZehr in the Regional Municipality of Peel, the Regional Municipality of York, and the City of Toronto.

C. SCOPE OF REVIEW, ASSUMPTIONS AND QUALIFICATIONS

Our opinion expressed herein is limited to the laws of Ontario and to the laws of Canada applicable therein. This opinion is based solely on a review of copies of the Mortgages and Postponements, and our searches of the governmental records referred to above. We have not reviewed any other documentation or made any other enquiries about matters which may affect the validity and enforceability of the Mortgages.

For the purposes of this opinion, we have assumed:

1. the Debtor is the correct name as set out in the aforementioned Profile Report;
2. that the Mortgages and Postponements were duly authorized, executed and delivered by the respective grantees in favour of C&K, Feature and Amercan, as applicable;
3. the genuineness of all signatures (whether on originals or copies of documents), the conformity to original documents submitted to us as notarial, certified, conformed, photostatic or telecopies copies thereof and the authenticity of the originals of such documents;
4. that there are no agreements or other facts which might affect the validity or enforceability of the Mortgages and Postponements which are not apparent from a review of the Mortgages and Postponements;
5. that consideration/value was given by C&K, Feature and Amercan to the Debtor;
6. that the Debtor had the capacity to borrow money in Ontario, to provide the Mortgages, to execute and deliver the Mortgages and to perform the covenants contained therein on their part to be performed; and
7. that the indices and filing systems at the public offices where we have searched or enquired or have caused searches or enquiries to be completed were accurate, current and complete.

The opinions expressed herein are also subject to the following qualifications:

1. we express no opinion on whether the Mortgages and Postponements can be attacked under the *Bankruptcy and Insolvency Act* (Canada) or any other federal or provincial legislation as a fraudulent conveyance, preference, transaction at undervalue or otherwise;
2. we express no opinion on whether the Mortgages can be attacked under the *Planning Act* (Ontario);
3. we express no opinion as to the validity of any security interest in any contractual rights or Crown debts, which, by their terms, cannot be the subject of a security interest without the consent, authorization or approval of third parties;
4. any opinions with respect to the Property are based solely upon a review of the parcel searches referenced herein;
5. enforceability of the Mortgages and Postponements may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement or winding-up laws or other similar laws affecting the enforcement of creditors' rights generally;

6. enforceability of the Mortgages and Postponements may also be limited by equitable principles including the principle that equitable remedies such as specific performance and injunction may only be granted in the discretion of a court of competent jurisdiction; and
7. we express no opinion as to the priority of the Mortgages with respect to:
 - (a) any defects of quality or title, encroachments or by-law infractions which might be revealed by an up-to-date survey of the Property;
 - (b) any liens and related certificates of action registered against the Property pursuant to the *Construction Lien Act* (Ontario);
 - (c) all limitations, reservations, provisos and conditions expressed in the original grant from the Crown;
 - (d) liens for taxes (which includes local improvement assessments, charges, levies and rates) or utility charges (including levies or imposts for sewers and other municipal utility services) not yet due;
 - (e) zoning and building by-laws and ordinances, and municipal by-laws and regulations;
 - (f) undetermined or inchoate liens and charges;
 - (g) the exceptions and qualifications set forth in the *Land Titles Act* (Ontario);
 - (h) any right of expropriation conferred by any statute of Canada or the Province of Ontario;
 - (i) any statutory liens or claims which may have or obtained priority without registration in any office of public record;
 - (j) defects or irregularities in title to the Property which in our opinion, acting reasonably, do not and will not, either individually or in the aggregate, materially and adversely affect the Mortgages or the priority thereof or the value or use of the Property;
 - (k) any unregistered development, subdivision, servicing, site plan, restrictive covenant or similar agreements concerning the Property entered into from time to time, but any such agreement would not have priority over the Mortgages unless the respective Mortgagees (i) had actual notice of such agreement before the applicable Mortgages were registered or (ii) subordinated the Mortgages to such agreement;
 - (l) minor encroachments over neighbouring lands and permitted under agreements with the owners of such lands or under possessory rights;
 - (m) any unregistered easements or rights of way that may affect the Property;
 - (n) the rights of any party under any executory agreement of purchase and sale or other executory purchase agreement; and
 - (o) the rights of any party under any lease, sublease, agreement to lease, tenancy agreement or any other occupancy agreement relating to the Property or a portion thereof, for which notice is not required to be registered pursuant to the provisions of the *Land Titles Act* (Ontario) or in respect of which the Mortgagees had actual notice when the Mortgages were registered.

We trust the above is satisfactory for your purposes. Should you have any questions, please contact the undersigned.

Yours truly,
CHAITONS LLP

Chaitons LLP

SCHEDULE "A"

LEGAL DESCRIPTIONS

Parcel:	PIN 03196 - 0072 LT
Description:	PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING AS IN R504810;
Address:	8 BOSTWICK CR RICHMOND HILL
Parcel:	PIN 03196 - 0073 LT
Description:	PT LT 63 PL 136 KING AS IN R209240
Address:	10 BOSTWICK CRESCENT RICHMOND HILL
Parcel:	PIN 03196 - 0074 LT
Description:	PT LT 64 PL 136 KING AS IN R530013;
Address:	12 BOSTWICK CR RICHMOND HILL
Parcel:	PIN 03196 - 0075 LT
Description:	PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345; RICHMOND HILL
Address:	14 BOSTWICK CR RICHMOND HILL
Parcel:	PIN 03196 - 0076 LT
Description:	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN R135070; RICHMOND HILL
Address:	8 BOND CRESCENT RICHMOND HILL
Parcel:	PIN 03196 - 0077 LT
Description:	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B; RICHMOND HILL
Address:	6 BOND CRESCENT RICHMOND HILL
Parcel:	PIN 03196 - 0078 LT
Description:	PT LT 66 PL 136 KING AS IN R690041;
Address:	16 BOSTWICK CR RICHMOND HILL
Parcel:	PIN 03196 - 0079 LT
Description:	PT LT 67 PL 136 KING AS IN R601987; RICHMOND HILL
Address:	18 BOSTWICK CRESCENT RICHMOND HILL
Parcel:	PIN 03196 - 0080 LT
Description:	PT LT 67 PL 136 KING AS IN KI22033 EXCEPT R135070, B54438B, & R601987;
Address:	2 BOND CRESCENT RICHMOND HILL

SCHEDULE “B”

The Property is comprised of nine (9) separate parcels, which Ideal (BC) Developments Inc. (the “**Debtor**”) acquired in the following manner:

- (a) 8 Bostwick Crescent – the Debtor acquired this property on December 2, 2014 from Bostwick Equities Ltd.
- (b) 10 Bostwick Crescent – the Debtor acquired this property on October 27, 2014 from Amneet Sandhu.
- (c) 12 Bostwick Crescent – the Debtor acquired this property on December 2, 2014 from 866155 Ontario Limited.
- (d) 14 Bostwick Crescent – the Debtor acquired this property on December 2, 2014 from Salvatore Giraldi.
- (e) 16 Bostwick Crescent – the Debtor acquired this property on September 18, 2020 from a related party, 2490564 Ontario Inc. (“**2490564**”).
- (f) 18 Bostwick Crescent – the Debtor acquired this property on September 18, 2020 from a related party, 2490568 Ontario Inc.
- (g) 2 Bond Crescent – the Debtor acquired this property on September 18, 2020 from 2490564.
- (h) 6 Bond Crescent – the Debtor acquired this property on September 18, 2020 as a result of an amalgamation with a related party, Ideal (BC2) Developments Inc.
- (i) 8 Bond Crescent – the Debtor acquired this property on September 18, 2020 from 2490564.

Schedule "C"

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
YR2830041	2018/05/24	Charge	\$2,000,000	IDEAL (BC) DEVELOPMENTS INC. IDEAL (BC2) DEVELOPMENTS INC. 2490564 ONTARIO INC.	FEATURE CORP.
YR2830046	2018/05/24	Notice of Assignment of Rents	N/A	IDEAL (BC) DEVELOPMENTS INC. IDEAL (BC2) DEVELOPMENTS INC. 2490564 ONTARIO INC.	FEATURE CORP.
YR2901113	2018/11/23	Notice	N/A	IDEAL (BC) DEVELOPMENTS INC. IDEAL (BC2) DEVELOPMENTS INC. 2490564 ONTARIO INC.	FEATURE CORP.
YR2944756	2019/03/29	Charge	\$2,000,000	IDEAL (BC) DEVELOPMENTS INC. IDEAL (BC2) DEVELOPMENTS INC. 2490564 ONTARIO INC.	FEATURE CORP.
YR2944763	2019/03/29	Notice of Assignment of Rents	N/A	IDEAL (BC) DEVELOPMENTS INC. IDEAL (BC2) DEVELOPMENTS INC. 2490564 ONTARIO INC.	FEATURE CORP.
YR3001386	2019/08/28	Notice	N/A	IDEAL (BC) DEVELOPMENTS INC. IDEAL (BC2) DEVELOPMENTS INC. 2490564 ONTARIO INC.	FEATURE CORP.

Schedule “C”

YR3001387	2019/08/28	Notice	N/A	IDEAL (BC) DEVELOPMENTS INC. IDEAL (BC2) DEVELOPMENTS INC. 2490564 ONTARIO INC.	FEATURE CORP.
YR3002005	2019/08/29	Charge	\$1,000,000	IDEAL (BC) DEVELOPMENTS INC. IDEAL (BC2) DEVELOPMENTS INC. 2490564 ONTARIO INC. 2490568 ONTARIO INC.	AMERICAN CORPORATION
YR3002006	2019/08/29	Postponement (YR2830041 to YR3002005)	N/A	FEATURE CORP.	AMERICAN CORPORATION
YR3002007	2019/08/29	Postponement (YR2944756 TO YR3002005)	N/A	FEATURE CORP.	AMERICAN CORPORATION
YR3132520	2020/08/24	Transfer of Charge	N/A	AMERICAN CORPORATION	FIERA FP REAL ESTATE FINANCING FUND, L.P.
YR3162185	2020/10/30	Charge	\$15,000,000	IDEAL (BC) DEVELOPMENTS INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY
YR3162186	2020/10/30	Notice of Assignment of Rents	N/A	IDEAL (BC) DEVELOPMENTS INC.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY
YR3163005	2020/10/30	Postponement (YR2944763 to YR3162185)	N/A	FEATURE CORP.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY

Schedule "C"

YR3163006	2020/10/30	Postponement	N/A	FEATURE CORP.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY
YR3163010	2020/10/30	Postponement	N/A	FIERA FP REAL ESTATE FINANCING FUND, L.P.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY
YR3163171	2020/10/30	Charge	\$3,000,000	IDEAL (BC) DEVELOPMENTS INC.	FEATURE CORP.
YR3163197	2020/10/30	Notice of Assignment of Rents	N/A	IDEAL (BC) DEVELOPMENTS INC.	FEATURE CORP.
YR3163198	2020/10/30	Charge	\$2,000,000	IDEAL (BC) DEVELOPMENTS INC.	FEATURE CORP.
YR3163219	2020/10/30	Notice of Assignment of Rents	N/A	IDEAL (BC) DEVELOPMENTS INC.	FEATURE CORP.
YR3168055	2020/11/12	Postponement	N/A	FEATURE CORP.	C & K MORTGAGE SERVICES INC. CANADIAN WESTERN TRUST COMPANY
YR3336826	2021/11/03	Charge	\$5,000,000	IDEAL (BC) DEVELOPMENTS INC.	AMERICAN CORPORATION

Appendix E



RESCOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2636
F. 416.482.4043
www.rescomcapital.com

Broker Licence: 10822 C & K Mortgage Services Inc. O/A Rescom Capital

April 18, 2022

IDEAL (BC) DEVELOPMENTS INC.
101 - 65 Allstate Parkway
Markham, ON L3R 9X1

MORTGAGE STATEMENT FOR ENFORCEMENT

RE: First Mortgage on 8-18 Bostwick Cres & 2,6,8 Bond Cres., Richmond Hill, ON

The amount owing on the above mortgage is calculated as follows:

Principal as at	October 1, 2021		\$	15,000,000.00
Interest to	November 1, 2021			137,208.33
Late Interest to	December 1, 2021			1,264.57
Interest to	December 1, 2021			137,208.33
Late Interest to	January 1, 2022			2,540.92
Interest to	January 1, 2022			137,208.33
Late Interest to	February 1, 2022			3,829.15
Interest to	February 1, 2022			137,208.33
Late Interest to	March 1, 2022			5,129.37
Interest to	March 1, 2022			137,208.33
Late Interest to	April 1, 2022			6,441.70
Interest to	April 1, 2022			137,208.33
Late Interest to	April 18, 2022			4,340.61
Interest to	April 18, 2022			76,686.32
Statement fee	6 @	\$ 250.00 each		1,500.00
HST on	Statement fee			195.00
Late Payment	6 @	\$200 each		1,200.00
HST on late fees (135771616RT0001)				156.00
NSF Fee	1 @	\$200 each		200.00
HST on NSF fees (135771616RT0001)				26.00
Fees for enforcement proceedings	51.5 Hours @	\$300		15,450.00
HST on	Fees for enforcement proceedings			2,008.50
Balance in trust - potential set off due to provision for additional interest regarding subordinated portion and holdback for engineering work				(97,685.86)
TOTAL	Payable to C&K Mortgage Services Inc. In Trust		\$	15,846,532.26

Per diem \$ 4,766.29 if payment not received by 1 PM.

Legal fees are not included.

Yours truly,
C & K Mortgage Services Inc. O/A Rescom Capital

Eric Kis

Eric Kis
Controller
eric@rescomcapital.com

e&oe

Appendix F

April 22, 2022

Susan D. Rosen
Direct +1 416 862 3519
Susan.rosen@ca.gowlingwlg.com

Delivered by Electronic Mail

George Benchetrit
Chaitons LLP
Barristers and Solicitors
5000 Yonge Street
10th Floor
Toronto, Ontario
M2N 7E9

Dear Sirs:

Re: American Corporation ("**Amercan**") loans to Ideal (BC) Developments Inc. (the "**Borrower**"), secured against, *inter alia*, 8-18 Bostwick Cres and 2, 6 and 8 Bond Cres., Richmond Hill, Ontario, being Charge Instrument Nos. YR3002005 and YR3336826

Further to your request, we attach two mortgage statements we received from our client with regard to the above noted loan transactions. Please note that these statements do not include discharge fees, enforcement fees and other fees, costs and expenses that Amercan is entitled to claim from the Borrower.

Please note that this statement is for information purposes only and supersedes any prior information statements.

Yours truly,
Gowling WLG (Canada) LLP



Susan D. Rosen
SDR/ng

E.O.&E
Encl.

Gowling WLG (Canada) LLP
Suite 1600, 1 First Canadian Place
100 King Street West
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Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at gowlingwlg.com/legal.

AMERICAN CORPORATION

Mortgage Statement

April 22, 2022

To whom it may concern,

Re: Loan from American Corporation to Ideal (BC) Developments Inc. secured by mortgages registered as Instrument #: YR3002005 against the title of the properties municipally known as 8-18 Bostwick Cres. and 2, 6 & 8 Bond Cres., Richmond Hill, Ontario

Principal balance as of Oct.19, 2020:	USD \$1,000,000.00
Interest accrued from Aug.26,2019 to Oct.18, 2020:	USD \$332,100.00
Total amount owing as of Oct.19, 2020:	USD \$1,332,100.00

Principal balance as of April 22,2022:	USD \$1,000,000.00
Interest accrued from Oct.19, 2020 to April 22, 2022:	USD \$ 714,739.00
Total amount owing as of April 22, 2022:	USD \$1,714,739.00

--USD 332,100.00 accrued interest from Aug.26,2019 to Oct.18, 2020.

(USD694.00 per diem @25% for 274 days, USD\$972.00 per diem

@35% for 146 days)

--USD 382,639.00 accrued interest from Oct. 19,2020 to April 22, 2022.

(USD\$694.44 per diem @25% for 551 days)

--USD694.44 per diem @25% after April 23,2022

AMERICAN CORPORATION

Per: Chen Tsung-Hsi

Name: Chen, Tsung-Hsi

Title: Director

I have authority to bind the corporation

E.O.& E.

AMERICAN CORPORATION

Mortgage Statement

April 22, 2022

To whom it may concern,

Re: Loan from American Corporation to Ideal (BC) Developments Inc., secured by mortgage registered as Instrument #: YR3336826 against the title of the properties municipally known as 8-18 Bostwick Cres. and 2, 6 & 8 Bond Cres., Richmond Hill, Ontario

Principal balance as of Feb.28, 2021:	CAD \$4,414,383.00
Interest accrued from Feb.28, 2021 to Oct.30, 2021:	CAD \$600,847.00
Interest accrued from Oct.31, 2021 to April 22, 2022:	CAD \$320,043.00
Total amount owing as of April 22, 2022:	CAD \$5,335,273.00

Remark:

Annual rate from Feb.28, 2021 to Oct.30, 2021: 20%, \$2,452.00 per diem, 245 days,
Annual rate from Oct.31, 2021 to April 22, 2022: 15%, \$1,839.00 per diem, 174 days,
Annual rate from April 23, 2022: 15%, \$1,839.00 per diem

Per: Chen Tsung-Hsi

Name: Chen, Tsung-Hsi

Title: Director

I have authority to bind the corporation

E.O.&F.
AMERICAN CORPORATION

Appendix G

AMALGAMATION, ASSUMPTION AND CONTINUING SECURITY AGREEMENT

TO: Feature Corp (the "**Lender**")

AND RE: The Lender's loan to Ideal (BC) Developments Inc. ("BC"), Ideal (BC2) Developments Inc. ("BC2") and 2490564 Ontario Inc. ("**2490564**") as guaranteed by Shajiraj Nadarajalingam (" in the principal sum of Three Million Dollars (\$3,000,000.00) in accordance with a Commitment Letter accepted by BC, BC2 and 2490564 on May 23, 2018, as amended by an Amendment Agreement dated November 23, 2018, as amended by an Amendment Agreement dated March 29, 2019 and as further amended by an Amendment Agreement effective August 23, 2019 (collectively, the "**Initial Commitment**") , secured *inter alia* on the lands and premises municipally known as 8, 10, 12, 14, and 16 Bostwick Crescent, in the City of Richmond Hill, ON, and 2, 6 and 8 Bond Crescent in the City of Richmond Hill, ON, (collectively, the "**Original Lands**")

AND RE: The Lender's loan to BC, BC2, 2490564, and guaranteed by Ideal Developments Inc. and Shajiraj Nadarajalingam, in the principal sum of Two Million Dollars (\$2,000,000.00) in accordance with the Assumption and Amendment Agreement dated February 13, 2019 between the Lender, BC, BC2, 2490564, Ideal (RD) Developments Inc., Ideal (RD2) Developments Inc., Ideal Developments Inc. and Shajiraj Nadarajalingam, as amended by an Amendment Agreement effective August 23, 2019, (collectively, the "**Subsequent Commitment**") secured *inter alia* on the Original Lands.

(the Initial Commitment and the Subsequent Commitment collectively referred to as the "**Original Loan Agreements**")

AND RE: Amendments to the Initial Commitment and Subsequent Commitment, by way of the 2020 Initial Commitment Amending Agreement dated October _____, 2020 and the 2020 Subsequent Commitment Amending Agreement, dated October _____ (**Collectively, the "2020 Amendments"**)

DATE: October _____, 2020

RECITALS:

- A. The Lender established certain credit facilities in favour of BC and BC2 (collectively, the "**Pre-Amalgamation Borrowers**") and 2490564 pursuant to the Original Loan Agreements;
- B. By articles of amalgamation effective September 14th, 2020 (the "**Amalgamation Date**"), the Pre-Amalgamation Borrowers amalgamated (the "**Amalgamation**") to continue as Ideal (BC) Developments Inc. ("**Amalco**"), the effect being that as of the Amalgamation Date, the borrowers under the Original Loan Agreements were Amalco and 2490564;
- C. Immediately prior to the Amalgamation, the Pre-Amalgamation Borrowers and 2490564 were obligated to the Lender pursuant to the terms of the Original Loan Agreements and

had provided certain security, including, without limitation, the charges and other security as more particularly set out in Schedule "A" (collectively, the "**Original Security Documents**");

- D. As a result of the Amalgamation, all indebtedness, liabilities and obligations of the Pre-Amalgamation Borrowers to the Lender whether direct or indirect, absolute or contingent, matured or unmatured, howsoever and wheresoever incurred, and whether incurred as principal or surety, and any ultimate unpaid balance thereof, including interest thereto (collectively, the "**Pre-Amalgamation Borrower Obligations**") have been assumed by Amalco;
- E. Pursuant to the 2020 Amendments, the Pre-Amalgamation Borrower Obligations have been subsequently amended on the terms and conditions contained therein;
- F. On or about September 18th, 2020, 2490564 transferred the lands and premises municipally known as 2 and 8 Bond Cres, Richmond Hill and 16 Bostwick Cres, Richmond Hill, ON (collectively, the "**2490564 Properties**") to Amalco (the "**2490564 Transfer**");
- G. As a result of the 2490564 Transfer, the Mortgage/Charges as registered on the 2490564 Properties in favour of the Lender, as amended by Notices, and the Notices of Assignment of Rent all of which are registered as Instrument Numbers YR2830041, YR2901113, YR3001386, YR2830046 and Instrument Nos. YR2944756, YR3001387 and YR2944763, respectively (collectively the "**2490564 Properties Security**") each as partial security for the indebtedness, liabilities and obligations of 2490564 to the Lender whether direct or indirect, absolute or contingent, matured or unmatured, howsoever and wheresoever incurred, and whether incurred as principal or surety, and any ultimate unpaid balance thereof, including interest thereto (the "**2490564 Obligations**") have been assumed by Amalco;
- H. As a result of the 2020 Amendments, the 2490564 Obligations have been subsequently amended on the terms and conditions contained therein;
- I. On or about September 18th, 2020, 2490568 Ontario Inc. ("**2490568**") transferred the lands and premises municipally known as 18 Bostwick Cres, in the City of Richmond Hill, ON (the "**2490568 Property**") to Amalco (the "**2490568 Transfer**");
- J. As a result of the Amalgamation, 2490564 Transfer, and 2490568 Transfer, and as continuing collateral security for the Pre-Amalgamation Borrower Obligations and the 2490564 Obligations, each as amended by the 2020 Amendments, Amalco, 2490564 and 2490568 have each executed and delivered to and in favour of the Lender, various new pieces of security, including but not limited to Two (2) New Mortgage/Charges registered in the amounts of Three Million Dollars (\$3,000,000.00) and Two Million Dollars (\$2,000,000.00) respectively and Two (2) new Notices of Assignment of Rent on the lands and premises municipally known as 8, 10, 12, 14, 16 and 18 Bostwick Crescent, and 2, 6 and 8 Bond Crescent in the City of Richmond Hill, ON, each as more particularly described in Schedule "C" attached hereto (collectively, the "**Revised Lands**"), such new charges and new notices of assignments of rent, as identified above, to stand with the Original Security Documents as collateral security in favour of the Lender for the Pre-Amalgamation Borrower Obligations and the 2490564 Obligations, as applicable, and as amended by the 2020 Amendments, and which new charges and new assignments of rent

in the Revised Lands, as identified above shall make clear that they secure only the same indebtedness of the Pre-Amalgamation Borrower Obligations, and the 2490564 Obligations without duplication, save and except that such indebtedness is now further secured on the property located at 18 Bostwick Cres . Such new security to also include, but not be limited to:

- a. Guarantee from 2490568 to the Pre-Amalgamation Borrower Obligations and 2490564 Obligations, each as amended by the 2020 Amendments
 - b. A General Security Agreement over all personal property of 2490568 which is derived from the Revised Lands, secured by PPSA Registration; and
- K. Environmental Indemnity. As a result of the Amalgamation and the assumption of Amalco of all Pre-Amalgamation Borrower Obligations, such guarantees provided by Ideal Developments Inc. and Shajiraj Nadarajalingam (collectively, the "**Guarantors**") as part of the Original Security Documents in support of the Pre-Amalgamation Borrower Obligations shall hereafter be deemed to be guarantees of Amalco without the necessity for the execution and delivery of the new guarantees from the Guarantors;
- L. Amalco, 2490564, 2490568, Ideal Developments Inc. ("**Ideal**") and Shajiraj Nadarajalingam ("**Shaji**") have entered into this Amalgamation, Assumption and Continuing Security Agreement at the request of the Lender, and in consideration of the Lender executing the 2020 Amendments;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Amalco, 2490564, 2495068, Ideal and Shajiraj each and collectively hereby acknowledges and confirms to the Lender as follows:

1. The Amalgamation was completed and became effective as of the Amalgamation Date. Attached hereto as Schedule "B" are true and complete copies of the certificate and articles of amalgamation filed with the Ministry of Government Services (Ontario) dated the Amalgamation Date.
2. Amalco hereby confirms and acknowledges to the Lender that, as the continuing corporation resulting from the Amalgamation, it has assumed and succeeded to all of the business, undertaking, property, assets, rights of the Pre-Amalgamation Borrowers and the Pre-Amalgamation Borrower Obligations.
3. Amalco hereby confirms and acknowledges to the Lender that, as the new registered and beneficial owner of the 2490564 Properties, it has assumed the all the rights, title, and obligations of the 2490564 Properties Security.
4. All of the Pre-Amalgamation Borrower Obligations are hereby acknowledged and confirmed by Amalco to be the indebtedness, liabilities and obligations of Amalco to the Lender regardless of whether such indebtedness, liabilities and obligations were incurred in the name of the Pre-Amalgamation Borrowers or Amalco and whether before or after the Amalgamation.
5. The Lender confirms and acknowledges that the amounts indicated in the mortgage statement attached to this Amalgamation, Assumption and Continuing Security Agreement as Schedule "D" is an up to date mortgage statement received which

accurately represents all of the amounts due and owing as of the date indicated therein under the Original Loan Agreements and the 2020 Amendments and which are being assumed by Amalco pursuant to the terms herein.

6. Amalco hereby further agrees to the registration of:

- a) A new mortgage registered in the amount of \$3,000,000.00 on the Revised Lands (the new "**New \$3M Mortgage**"). The New \$3M Mortgage must indicate that it is for the same indebtedness as secured by Instrument Numbers YR2830041, YR2901113, YR3001386, save and except that it is further registered as against the property located at 18 Bostwick;
- b) A new notice of assignment of rents registered on the Revised Lands (the "**New \$3M Assignment**"). The New \$3M Assignment must indicate that it is for the same indebtedness as secured by Instrument Numbers YR2830046 save and except that it is further registered as against the property located at 18 Bostwick
- c) A new mortgage registered in the amount of \$2,000,000.00 on the Revised Lands (the new "**New \$2M Mortgage**"). The New \$2M Mortgage must indicate that it is for the same indebtedness as secured by Instrument Numbers YR2944756, YR3001387, save and except that it is further registered as against the property located at 18 Bostwick; and
- d) A new notice of assignment of rents registered on the Revised Lands (the "**New \$2M Assignment**"). The New \$2M Assignment must indicate that it is for the same indebtedness as secured by Instrument Numbers YR2830046 save and except that it is further registered as against the property located at 18 Bostwick,

(Collectively the "**New Third and Fourth Land Security**").

7. Notwithstanding the Amalgamation and the 2490564 Transfer, the Original Security Documents, in addition to the New Third and Fourth Land Security shall:

- a) continue in full force and effect from and after the date of this Amalgamation, Assumption and Continuing Security Agreement, without novation, as valid and binding obligations of Amalco and 2490564, as applicable, enforceable against them in accordance with their terms to the extent that the New Third and Fourth Land Security shall in any event not duplicate the Pre-Amalgamation Borrower Obligations being assumed by Amalco, 2490564 and 2490568 and guaranteed by the Guarantors; and
- b) have continuing effect as security for the present and future indebtedness, liabilities and obligations of Amalco and 2490564, to the Lender, whether direct or indirect, absolute or contingent, matured or unmatured, howsoever and wheresoever incurred, and whether incurred as principal or surety, and any ultimate unpaid balance thereof, and whether incurred in the name of the Pre-Amalgamation Borrowers or Amalco, and whether incurred prior to or subsequent to the Amalgamation, in the same manner and to the same extent as if such Original Security Documents had been issued by Amalco.

8. The Original Security Documents create a security interest in, charge and extend to all of the assets, property and undertaking of the Pre-Amalgamation Borrowers, 2490564 and Amalco expressed therein to be subject thereto, whether acquired or otherwise owned or held before, at the time of or after the Amalgamation or 2490564 Transfer.
9. The Original Security Documents, have not been waived, discharged or varied as a result of the Amalgamation and/or this Amalgamation, Assumption and Continuing Security Agreement and the Original Security Documents continue to constitute a valid, perfected and enforceable charge over the assets, property and undertaking referred to therein.
10. Notwithstanding the above, Amalco further agrees that the following PPSA Registrations shall stand as continuing security for the Pre-Amalgamation Borrower Obligations, as amended by the 2020 Amendments, as evidenced by the applicable Original Security Documents:
 - a) PPSA Registration No. 20201015 1913 1832 2935;
 - b) PPSA Registration No. 20201015 1913 1862 2934;
 - c) PPSA Registration No. 20201015 1913 1862 2932; and
 - d) PPSA Registration No. 20201015 1913 1862 2936.
11. Notwithstanding the above, 2490564 further agrees that the following PPSA registrations shall stand as continuing security for the 2490564 Obligations, as amended by the 2020 Amendments, as evidenced by the applicable Original Security Documents:
 - a) PPSA Registration No. 20201015 1913 1862 2933; and
 - b) PPSA Registration No. 20201015 1913 1862 2931.
12. 2490568 hereby agrees to provide the following security to the Lender, as continuing security for the Pre-Amalgamation Borrower Obligations and 2490564 Obligations, as amended by the 2020 Amendments each of which shall have the continuing effect as security for the present and future indebtedness, liabilities and obligations of Amalco and 2490564, to the Lender, whether direct or indirect, absolute or contingent, matured or unmatured, howsoever and wheresoever incurred, and whether incurred as principal or surety, and any ultimate unpaid balance thereof, and whether incurred in the name of the Pre-Amalgamation Borrowers or Amalco, and whether incurred prior to or subsequent to the Amalgamation, in the same manner and to the same extent as if such Original Security Documents had been issued by Amalco:
 - a) General Security Agreement, over all of the personal property of 2490568 which is derived from the Revised Lands, secured by way of a PPSA Registrations;
 - b) Guarantee of the obligations of Amalco and 2490564; and
 - c) Environmental Agreement and Indemnity over the Revised Lands.
13. All representations and warranties contained in the Original Security Documents, save and except representations made with respect to the ownership of the Revised Lands, are

hereby restated and shall survive the execution and delivery of this Amalgamation, Assumption and Continuing Security Agreement and continue in full force and effect for so long as there is any indebtedness owing under the Original Loan Agreements or Amalco, 2490564 and 2490568 has any obligations thereunder.

14. The Lender hereby confirms and acknowledges that it shall, on a one time basis, consent to the Amalgamation and 2490564 Transfer, retroactive to the date as applicable, without penalty;
15. This Amalgamation, Assumption and Continuing Security Agreement shall be effective without the need to re-execute or amend or modify any of the Original Security Documents including, without limitation, any title or *Personal Property Security Act* (the "PPSA") registrations in connection therewith.
16. This Amalgamation, Assumption and Continuing Security Agreement shall be binding upon Amalco, 2490564, 2490568, Ideal and Shajiraj and its successors and permitted assigns, and shall enure to the benefit of the Lender and its respective successors and assigns.
17. Amalco, 2490564, 2490568, Ideal and Shajiraj, each hereby agree that they shall at all times do, execute, acknowledge and deliver all such acts, deeds and agreements as may be necessary or desirable, as determined by the Lender or their legal counsel, acting reasonably, to give effect to the terms and provisions of this Amalgamation, Assumption and Continuing Security Agreement, including any and all acts, deeds or agreements as may be necessary for the purpose of registering or filing notice of the terms and provisions of this Amalgamation, Assumption and Continuing Security Agreement on title to the Lands or under the PPSA. The Lender hereby agrees that it shall at all times do, execute, acknowledge and deliver all such acts, deeds and agreements as may be necessary or desirable, as determined by the Amalco, 2490564, 2490568, Ideal and Shajiraj or their legal counsel, acting reasonably, to give effect to the terms and provisions of this Amalgamation, Assumption and Continuing Security Agreement, including without limitation any and all acts, deeds or agreements as may be necessary for the purposes of confirming that the New Third and Fourth Land Security is intended to secure the indebtedness secured by the Original Security Documents save and except that such New Third and Fourth Land Security is now also registered against the title to the property municipally known as 18 Bostwick Crescent, Richmond Hill.
18. This Amalgamation, Assumption and Continuing Security Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and shall be treated in all respects as an Ontario contract, and the parties hereto hereby submit to the non-exclusive jurisdiction of the courts of the Province of Ontario.
19. This Agreement may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

IN WITNESS WHEREOF Amalco has duly executed this Amalgamation, Assumption and Continuing Security Agreement as of the date written above.

**IDEAL (BC) DEVELOPMENTS INC.
(Amalco)**

Per:



Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation.

2490564 ONTARIO INC.

Per:



Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation.

2490568 ONTARIO INC.

Per:



Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation.

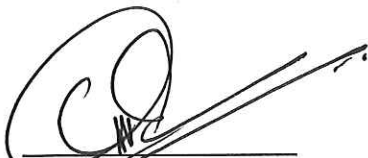
IDEAL DEVELOPMENTS INC.

Per:



Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation.


WITNESS
SHAJIRAJ NADARAJALINGAM

FEATURE CORP.

Per:

Name: Talia Khanania

Title: President

I have authority to bind the Corporation

IN WITNESS WHEREOF Amalco has duly executed this Amalgamation, Assumption and Continuing Security Agreement as of the date written above.

IDEAL (BC) DEVELOPMENTS INC.
(Amalco)

Per:

Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation.

2490564 ONTARIO INC.

Per:

Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation.

2490568 ONTARIO INC.

Per:

Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation.

IDEAL DEVELOPMENTS INC.

Per:

Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation.

WITNESS

SHAJIRAJ NADARAJALINGAM

FEATURE CORP.

Per:



Name: Talja Khanania

Title: President

I have authority to bind the Corporation

SCHEDULE "A"

ORIGINAL SECURITY DOCUMENTS

1. a General Security Agreement dated May 23, 2018 from BC and secured under the PPSA under File No. 766779993;
2. a Charge registered on the properties municipally known as 8, 10, 12 and 14 Bostwick Crescent, Richmond Hill, Ontario (collectively, the "**BC Properties**") as Instrument No. YR2830041 on May 24, 2018 from BC, as amended by a Notice re: Amendment Agreement registered as Instrument No. YR2901113 on November 23, 2018 and further amended by a Notice re: Amendment Agreement registered as Instrument No. YR3001386 on August 28, 2019;
3. a Notice of Assignment of Rents-General registered on the BC Properties as Instrument No. YR2830046 on May 24, 2018 and secured under the *Personal Property Security Act* (Ontario) (the "**PPSA**") under File No. 766779984;
4. an Assignment of All Risk and Fire Insurance from BC dated May 23, 2018 re: the BC Properties;
5. a General Security Agreement dated May 23, 2018 from BC2;
6. a Charge registered on the property municipally known as 6 Bond Crescent, Richmond Hill, Ontario (the "**BC2 Property**") as Instrument No. YR2830041 on May 24, 2018 from BC2, as amended by a Notice re: Amendment Agreement registered as Instrument No. YR2901113 on November 23, 2018 and further amended by a Notice re: Amendment Agreement registered as Instrument No. YR3001386 on August 28, 2019;
7. a Notice of Assignment of Rents-General registered on the BC2 Property as Instrument No. YR2830046 on May 24, 2018 and secured under the PPSA under File No. 766779984;
8. an Assignment of All Risk and Fire Insurance from BC2 dated May 23, 2018 re: the BC2 Property;
9. a General Security Agreement dated February 13, 2019 from 249 and secured under the PPSA under File No. 766779975;
10. a Charge registered on the 564 Ontario Properties as Instrument No. YR2830041 on May 24, 2018 from 2490564, as amended by a Notice re: Amendment Agreement registered as Instrument No. YR2901113 on November 23, 2018 and further amended by a Notice re: Amendment Agreement registered as Instrument No. YR3001386 on August 28, 2019;
11. a Notice of Assignment of Rents-General registered on the 2490564 Properties as Instrument No. YR2830046 on May 24, 2018 and secured under the PPSA under File No. 766779957;
12. an Assignment of All Risk and Fire Insurance from 2490564 dated May 23, 2018 re: the

564 Ontario Properties;

13. Environmental Agreement and Indemnity from BC, BC2 and 2490564 dated May 23, 2018 re: the BC Properties, BC2 Properties and 2490564 Properties (collectively hereinafter referred to as the "**Original Properties**");
14. Guarantee from Shajiraj Nadrajalingam ("**Shajiraj**") dated May 23, 2018;
15. a General Security Agreement dated February 13, 2019 from BC and secured under the PPSA under File No. 766779966;
16. a Charge registered on the BC Properties as Instrument No. YR2944756 on March 29, 2019 from BC, as amended by a Notice re: Amendment Agreement registered as Instrument No. YR3001387 on August 28, 2019;
17. a Notice of Assignment of Rents – General registered on the BC Properties as Instrument No. YR2944763 on March 29, 2019 and secured under the PPSA under File No. 766780002;
18. an Assignment of All Risk and Liability Insurance dated March 22, 2019 re: the BC Properties;
19. a General Security Agreement dated February 13, 2019 from BC2;
20. a Charge registered on the BC2 Property as Instrument No. YR2944756 on March 29, 2019 from BC, as amended by a Notice re: Amendment Agreement registered as Instrument No. YR3001387 on August 28, 2019;
21. a Notice of Assignment of Rents – General registered on the BC2 Property as Instrument No. YR2944763 on March 29, 2019 and secured under the PPSA under File No. 766780002;
22. an Assignment of All Risk and Liability Insurance dated March 22, 2019 re: the BC Properties;
23. a General Security Agreement dated February 13, 2019 from 2490564 and secured under the PPSA under File No. 766780029;
24. a Charge registered on the 2490564 Properties as Instrument No. YR2944756 on March 29, 2019 from 2490564, as amended by a Notice re: Amendment Agreement registered as Instrument No. YR3001387 on August 28, 2019;
25. a Notice of Assignment of Rents – General registered on the 2490564 Properties as Instrument No. YR2944763 on March 29, 2019 and secured under the PPSA under File No. 766780011;
26. an Assignment of All Risk and Liability Insurance dated March 22, 2019 re: the 2490564 Ontario Properties;
27. Environmental Agreement and Indemnity from BC, BC2, 2490564, Ideal Developments Inc. ("**Ideal**") and Shajiraj dated February 13, 2019 re: the Properties;

28. Guarantee from Ideal dated February 13, 2019; and
29. Guarantee from Shajiraj dated February 13, 2019.

SCHEDULE "B"
CERTIFICATE AND ARTICLES OF AMALGAMATION

See attached.

SCHEDULE "C"
THE REVISED LANDS

8 Bostwick Cres, Richmond Hill

Legal Description:

PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63
PL 136 KING AS IN R504810; TOWN OF RICHMOND
HILL

PIN:

03196-0072

10 Bostwick Cres, Richmond Hill

Legal Description:

PT LT 63 PL 136 KING AS IN R209240;
TOWN OF RICHMOND HILL

PIN:

03196-0073

12 Bostwick Cres, Richmond Hill

Legal Description:

PT LT 64 PL 136 KING AS IN R530013;
TOWN OF RICHMOND HILL

PIN:

03196-0074

14 Bostwick Cres, Richmond Hill

Legal Description:

PT LT 64 PL 136 KING; PT LT 65 PL 136
KING AS IN R406345; TOWN OF RICHMOND HILL

PIN:

03196-0075

16 Bostwick Cres, Richmond Hill

Legal Description:

PT LT 66 PL 136 KING AS IN R690041;
TOWN OF RICHMOND HILL

PIN:

03196-0078

18 Bostwick Cres, Richmond Hill

Legal Description:

PT LT 67 PL 136 KING AS IN R601987;
TOWN OF RICHMOND HILL

PIN:

03196-0079

2 Bond Cres, Richmond Hill

Legal Description:

PT LT 67 PL 136 KING AS IN KI22033
EXCEPT R135070, B54438B & R601987L; RICHMOND
HILL

PIN:

03196-0080

6 Bond Cres, Richmond Hill

Legal Description:

PT LT 66 PL 136 KING; PT LT 67 PL 136
KING AS IN B54438B; RICHMOND HILL

PIN:

03196-0077

8 Bond Cres, Richmond Hill

Legal Description:

PT LT 66 PL 136 KING; PT LT 67 PL 136
KING AS IN R135070; RICHMOND HILL

PIN:

03196-0076

Appendix H



April 21, 2022

Our File: 21-0885

DELIVERED BY E-MAIL: george@chaitons.com

George Benchetrit

Chaitons LLP
5000 Yonge St, 10th Floor
Toronto, ON, M2N 7E9

RE: Feature Corp. and Ideal (BC) Developments Inc.
\$3,000,000.00 Loan to Ideal (BC) Developments Inc. (3rd Charge, YR2830041 as amended)
\$2,000,000.00 Loan to Ideal (BC) Developments Inc. (4th Charge, YR2944756 as amended)

Further to your request, please be advised that the balance due and owing to Feature Corp. with respect to the above mortgage loans is as follows:

\$3,000,000.00 Loan to Ideal (BC) Developments Inc. ("3rd Charge", YR2830041 as amended):

Principal balance as of October 16, 2020	\$3,000,000.00
Interest at 10% per annum from October 16 – 31, 2020	\$13,150.68
Interest at 10% per annum from November 1, 2020 – March 31, 2021	\$125,000.00
Interest at 7% per annum from April 1, 2021 – September 30, 2021	\$105,000.00
Interest at 10% per annum from October 1, 2021 – March 30, 2022	\$150,000.00
Extension and Monitoring Fee	\$30,000.00
Interest at 10% per annum from March 31, 2022 – April 15, 2022	\$12,500.00
Default Collection Letter (September 2021)	\$300.00
Default Collection Letter (October 2021)	\$300.00
Discharge Statement	\$1,000.00
Legal Fees	\$4,500.00

TO REPAY 3RD CHARGE/MORTGAGE at April 15, 2022 **\$3,441,750.68**

The per diem rate of interest is \$821.92

\$2,000,000.00 Loan to Ideal (BC) Developments Inc. ("4th Charge", YR2944756 as amended):

Principal balance as of October 16, 2020	\$2,000,000.00
Interest at 10% per annum from October 16 – 31, 2020	\$8,767.12
Interest at 10% per annum from November 1, 2020 – March 31, 2021	\$83,333.33
Interest at 7% per annum from April 1, 2021 – September 30, 2021	\$70,000.00
Interest at 10% per annum from October 1, 2021 – March 30, 2022	\$100,000.00
Extension and Monitoring Fee	\$20,000.00
Interest at 10% per annum from March 31, 2022 – April 15, 2022	\$8,333.33

TO REPAY 4TH CHARGE/MORTGAGE at April 15, 2022 **\$2,290,433.75**

The per diem rate of interest is \$547.95

TO REPAY 3RD CHARGE AND 4TH CHARGE at April 15, 2022 **\$5,732,184.46**

Please note that this statement is for information purposes only and supersedes any prior information statements.

Yours truly,

FIJ LAW LLP

Per:



Liliana Ferreira
E. & O.E.

Appendix I

ASSUMPTION AND AMENDMENT AGREEMENT

Between

IDEAL (BC) DEVELOPMENTS INC.
("Ideal BC")

and

IDEAL (BC2) DEVELOPMENTS INC.
("Ideal BC2")

and

2490564 ONTARIO INC.
("249 Ontario")

and

FEATURE CORP.
(the "Mortgagee")

and

IDEAL (RD) DEVELOPMENTS INC.
("Ideal RD")

and

IDEAL (RD2) DEVELOPMENTS INC.
("Ideal RD2")

and

IDEAL DEVELOPMENTS INC.
("Ideal")

and

SHAJIRAJ NADARJALINGAM
("Shajiraj")

WHEREAS by a Charge/Mortgage of Land (the "**Mortgage**") dated May 23rd, 2017, and registered in the Vaughan Land Registry Office (No. 65) on June 29th, 2017, as Instruments No. YR2694186 and YR2694187, Ideal RD and Ideal RD2 (Collectively the "**Original Mortgagors**") mortgaged the lands known municipally as 5002 and 5014 14th Avenue, in Markham, ON, more particularly described in Schedule "A" hereto (the "**Original Lands**") to the Mortgagee to secure the payment of the principal sum of Two Million dollars (\$2,000,000.00) (the "**Principal Sum**") upon the terms contained in the Mortgage;

AND WHEREAS Ideal and Shajiraj (collectively, the “**Guarantors**”) guaranteed the repayment of the amounts owing under the Mortgage and the performance of the covenants contained in the Mortgage;

AND WHEREAS the Mortgage was made pursuant to the terms of a commitment letter issued by the Mortgagee and accepted by the Original Mortgagors on May 19th, 2017 (the “ **Original Commitment Letter**”), which Original Commitment Letter by its terms survived the execution and delivery of the Mortgage;

AND WHEREAS the Mortgage is further secured by:

- 1) a general assignment of rents made by the Original Mortgagors in favour of the Mortgagee, dated June 29th, 2017 and notice of which was registered in the Vaughan Land Registry Office (No. 65) on June 29th, 2017 as Instrument No. YR2694252 and under the *Personal Property Security Act* (Ontario) under File No. 729288171;
- 3) Statutory Declarations with respect to the Original Lands, each dated as of May 19th, 2017;
- 4) an Acknowledgement re: Standard Charge Terms dated May 19th, 2017;
- 5) an Environmental Agreement and Indemnity dated May 19th, 2017;
- 6) an Assignment of All Risk and Liability Insurance from both Original Mortgagors, dated May 19th, 2017;
- 7) A General Security Agreement by the Original Mortgagors, dated May 19th, 2017 in second position against all present and after acquired personal property for each entity, notices of which were registered under the *Personal Property Security Act* (Ontario) under File No. 729288171;
- 8) Unlimited guarantees by the Guarantors, dated May 19th, 2017;

(the foregoing and all other agreements, instruments, documents and assurances delivered by the Original Mortgagors, and the Guarantors to the Mortgagee being herein collectively called the “**Original Collateral Security**”).

AND WHEREAS Ideal BC, Ideal BC2 and 249 Ontario (collectively the “**New Mortgagors**”) have received a transfer of the Principal Sum, in full, from the Original Mortgagors, and the New Mortgagors have agreed with the Original Mortgagors and with the Mortgagee to assume payment of the Mortgage and to covenant with the Mortgagee to pay the monies secured by the Mortgage and to fulfil all the terms, conditions, covenants and provisions contained in the Mortgage;

AND WHEREAS, the New Mortgagors have agreed to secure their obligations to fulfill such terms and conditions as stated above, by providing new security to the Mortgagee as follows:

- 1) a 3rd Charge (subsequent only to First Source Financial Management Inc./Home Trust Company (collectively, "**First Source Financial**") and Feature Corp.) in the amount of Two Million Dollars (\$2,000,000.00) (the "**New Mortgage**") on the properties municipally known as 8,10,12,14 and 16 Bostwick Crescent, and 2,6 and 8 Bond Crescent in Richmond Hill (collectively the "**New Lands**"), more particularly described in Schedule "B";
- 2) a General Assignment of Rent and Leases in 3rd position against title to the New Lands Property (subsequent only to First Source Financial and Feature Corp;
- 3) a General Security Agreement, in second position against all present and after acquired property of each of the New Mortgagors, in 3rd position (subsequent only to First Source Financial and Feature Corp.);
- 4) Unlimited personal guarantee from Shajiraj Nadarajalingam;
- 5) Unlimited corporate guarantee from Ideal Developments Inc.;
- 6) Assignment of all risk insurance over the New Lands with the Mortgagee as 3rd loss payee (subsequent only to First Source Financial and Feature Corp);
- 7) Environmental Indemnity from the New Mortgagors, and Guarantors over the New Lands;
- 8) Such other documentation and security as the Mortgagee's solicitor may consider advisable;

AND WHEREAS the Guarantors have agreed to guarantee the repayment of the New Mortgage and the performance of the covenants contained in the New Mortgage.

AND WHEREAS the New Mortgagors and the Mortgagee have agreed to amend the Original Commitment Letter, discharge the Mortgage, and register the New Mortgage under the terms as provided herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, it is hereby agreed that:

1. The New Mortgagors, as principal debtor and not as surety, shall well and truly pay to the Mortgagee all such sums of money as are now or shall at any time hereafter become due or payable, whether for principal, interest, charges, costs or otherwise howsoever arising under or by virtue of either the Original Commitment Letter or the New Mortgage or which are secured by the New Mortgage, at the times and in the manner provided therein or in the instrument evidencing the same; and that the New Mortgagors will at all times

do, observe, perform, keep, be liable under and be bound by every covenant, attornment, licence, power, proviso, condition, agreement and stipulation in the Commitment Letter and the New Mortgage, to the same extent as if the New Mortgagors had been the Original Mortgagors and as such had executed the Original Commitment Letter.

2. The Term under the Original Commitment Letter shall be amended to, and shall expire on May ~~12th~~³⁰, 2019 (the “**New Maturity Date**”). The New Mortgage shall include the New Maturity Date.
3. Interest owed under the Original Commitment Letter shall be amended to state as follows (using such terms as defined in the Original Commitment Letter):

Interest on the Loan during the Term, in the total amount of Fifteen Percent (15%) per annum, shall be due and payable to the Lender, as follows:

- (a) in equal monthly installments on the 21st of each month, of Eight Percent (8%) per annum, calculated not in advance, non-compounding, subject to interest adjustment from the Effective Date to January 21st 2018; and
 - (b) a one-time balloon payment on the expiry of the Term, of the remaining interest owing on the Loan;
4. Notwithstanding anything contained in the Original Commitment Letter, the New Mortgagors shall provide to the Lender with the following:
 - a. an additional Lender Fee equal to Five Percent (5%) of the Principal Sum, \$50,000.00 of which shall be payable on closing of the herein Assumption and Amendment and the balance in the amount of \$50,000.00 shall be payable within 14 days from the date of the registration of the New Mortgage; and
 - b. reasonable legal expenses in preparing such documentation payable on closing of the herein Assumption and Amendment.
 5. Notwithstanding anything contained in the “Mortgage Conditions” under the Original Commitment Letter, and in particular section (c) and (d), the development provisions shall be as indicated on Schedule “C” attached hereto, and using those definitions as provided in the Original Commitment Letter.
 6. The Mortgagee shall register the good and valid discharge of the Mortgage prior to the registration of the New Mortgage against the title of the Original Lands. Upon the registration of the New Mortgage, the Mortgagee may release and discharge the Original Mortgagors from all liability under its, his or their personal covenants in the Mortgage for payment of the monies thereby secured or other monies payable under the Mortgage.
 7. These presents shall not alter or prejudice the rights and priorities of the Mortgagee as against the New Mortgagors or any subsequent encumbrancer or other person whomsoever interested in the New Lands or liable for the monies secured by the New

Mortgage or any part thereof or the rights of the New Mortgagors or any such subsequent encumbrancer or other person, all of which rights and priorities are hereby reserved.

8. Nothing herein shall constitute release or novation of all or any part of the amounts owing under the Commitment Letter, except as against the Original Mortgagors. Except as expressly amended by this Agreement the terms of the Commitment Letter and Mortgage remain in full force and effect, unamended.
9. The parties acknowledge and agree that all rights and priorities and remedies of the Mortgagee under the Mortgage shall not be altered, impaired, prejudiced or otherwise affected by either this Agreement or the conveyance referred to in the recitals to this Agreement save and except as against the Original Mortgagors.
10. For the better assuring, mortgaging and charging the New Lands in favour of the Mortgagee, the New Mortgagors hereby mortgage and charge as and by way of a fixed and specific mortgage and charge to and in favour of the Mortgagee, all of their respective right, title, estate, interest and benefit from time to time in and to the New Lands as security for the payment and performance of all obligations under the Commitment Letter and the Mortgage.
11. The Guarantors, as principal debtor and not as surety, shall well and truly pay or cause to be paid to the Mortgagee all such sums of money as are now or shall at any time hereafter become due or payable, whether for principal, interest, charges, costs or otherwise howsoever arising under or by virtue of the Mortgage or which are secured by the Mortgage, at the times and in the manner provided therein or in the instrument evidencing same; and that the Guarantor will at all times do, observe, perform, keep, be liable under and be bound by every covenant, attornment, licence, power, proviso, condition, agreement and stipulation in the Mortgage to the same extent as under the Original Commitment Letter.
12. Each reference herein to the Mortgage shall be deemed to also be and include a reference to the Commitment Letter and the Collateral Security and the New Mortgagors shall be bound by the Commitment Letter and the Collateral Security and all the terms, conditions, covenants, representations and agreements therein to the same extent as if the New Mortgagors had been the Original Mortgagor, and as such had executed the Original Commitment Letter and Collateral Security.
13. The address for service of the New Mortgagors for purposes of the Mortgage is as follows:

1100 Rodick Road, Markham, Ontario, L3R 8C3
14. THIS AGREEMENT shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of each and every party hereto and wherever the singular and masculine genders are used in this Agreement the same

IN WITNESS WHEREOF the parties hereto have executed there presents as of
January 13th, 2019 (the "Effective Date").
February

FEATURE CORP.

Per:

x _____

I have authority to bind the Corporation

IDEAL (RD) DEVELOPMENTS INC.

Per:

x N. Shumway

I have authority to bind the Corporation

IDEAL (RD2) DEVELOPMENTS INC.

Per:

x N. Shumway

I have authority to bind the Corporation

IDEAL DEVELOPMENTS INC.

Per:

x N. Shumway

I have authority to bind the Corporation

IDEAL (BC) DEVELOPMENTS INC.

Per:

x N. Shumway

I have authority to bind the Corporation

IDEAL (BC2) DEVELOPMENTS INC.

Per:

x N. Shumway

I have authority to bind the Corporation

2490564 ONTARIO INC.

Per:


x N. Shumway

I have authority to bind the Corporation

IN WITNESS WHEREOF the parties hereto have executed there presents as of
January 13th, 2019 (the "Effective Date").
February

FEATURE CORP.

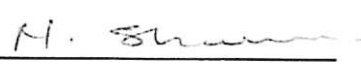
Per:

x 

I have authority to bind the Corporation

IDEAL (RD) DEVELOPMENTS INC.

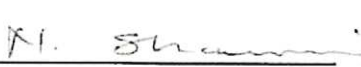
Per:

x 

I have authority to bind the Corporation

IDEAL (RD2) DEVELOPMENTS INC.

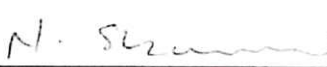
Per:

x 

I have authority to bind the Corporation

IDEAL DEVELOPMENTS INC.


Per:

x 

I have authority to bind the Corporation

IDEAL (BC) DEVELOPMENTS INC.

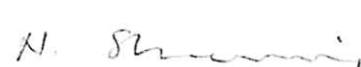
Per:

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I have authority to bind the Corporation

IDEAL (BC2) DEVELOPMENTS INC.

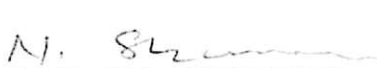
Per:

x 

I have authority to bind the Corporation


2490564 ONTARIO INC.

Per:

x 

I have authority to bind the Corporation

WITNESS:


Name: Shida Azari

)
)
)
)
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)
)

x 
SHAJIRAJ NADARJALINGAM

SCHEDULE "A"

THE ORIGINAL LANDS

5002 14th Avenue Road, Toronto, On

Legal Description: PART LOT 1 PLAN 65M3607 PARTS 1, 2, 3, 4,
& 5 65R36590; CITY OF MARKHAM

PIN: 02962-0829

5014 14th Avenue Road, Toronto, On

Legal Description: PART LOT 2 PLAN 65M3607 PARTS 1, 2, 3,
65R36595; CITY OF MARKHAM

PIN: 02962-0831

SCHEDULE "B"

THE NEW LANDS

8 Bostwick Cres, Richmond Hill

Legal Description: PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING AS IN R504810; TOWN OF RICHMOND HILL

PIN: 03196-0072

10 Bostwick Cres, Richmond Hill

Legal Description: PT LT 63 PL 136 KING AS IN R209240; TOWN OF RICHMOND HILL

PIN: 03196-0073

12 Bostwick Cres, Richmond Hill

Legal Description: PT LT 64 PL 136 KING AS IN R530013; TOWN OF RICHMOND HILL

PIN: 03196-0074

14 Bostwick Cres, Richmond Hill

Legal Description: PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345; TOWN OF RICHMOND HILL

PIN: 03196-0075

16 Bostwick Cres, Richmond Hill

Legal Description: PT LT 66 PL 136 KING AS IN R690041; TOWN OF RICHMOND HILL

PIN: 03196-0078

2 Bond Cres, Richmond Hill

Legal Description: PT LT 67 PL 136 KING AS IN KI22033 EXCEPT R135070, B54438B & R601987L; RICHMOND HILL

PIN: 03196-0080

6 Bond Cres, Richmond Hill

Legal Description: PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B; RICHMOND HILL

PIN: 03196-0077

8 Bond Cres, Richmond Hill

Legal Description:

PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN
R135070; RICHMOND HILL

PIN:

03196-0076

SCHEDULE "C"

DEVELOPMENT PROVISIONS

(a) The Chargee(s) shall execute and deliver forthwith, without any fee or charge whatsoever, save for reasonable legal fees, and without any principal or interest repayment hereunder, such partial discharges of the Charge as may be reasonably required in connection with the giving of any road widenings, one foot reserves, park dedications, or other land contribution(s) to any governmental authorities, required as part of the development approval process in respect of the Property.

(b) The Chargee(s) shall execute and deliver forthwith, without any fee or charge whatsoever, save for reasonable legal fees, and without any principal or interest repayment hereunder, all consents and acknowledgments that may be reasonably required by the Chargor(s) to re-zone and/or subdivide the lands to permit the development thereof, or to register the lands under the Land Titles System and/or pursuant to the provisions of the Planning Act R.S.O. 1990, as amended, and/or any other legislation as well as any consents and acknowledgments reasonably required by the Chargor(s) in connection with the entering into of any subdivision agreement, condominium agreement, site plan agreement, engineering agreement, development agreement or similar agreement with any governmental authorities and/or any public or private utilities, and the mortgage holder shall also consent to, subordinate and postpone this Charge forthwith to and in favour of any easements or agreements now or hereafter granted to, or entered into with, any such governmental authorities and/or to any public or private utility authorities in respect of the provision of services to the lands, including but not limited to easements in connection with the installation, maintenance and/or repair of storm and sanitary sewers, gas, telephone, television, hydro-electric and water services and/or similar services together with any easements for access and egress purposes in favour of any property adjacent to the lands, all without any payment whatsoever, save for reasonable legal fees, provided however that the Chargee(s) shall not be responsible for any financial or other obligations incurred in connection therewith.

(c) Subject to the following, the Chargee(s) will subordinate, postpone and standstill the Charge to construction financing. This charge shall be a third charge behind Feature Corp. and construction financing provided that the total amount of the prior registered charge does not exceed Fifteen Million and Five Hundred Thousand Dollars (\$15,500,000.00), and the Chargee(s) will execute any subordination, postponement and/or standstill agreement reasonably required by any prior registered chargee forthwith.

(d) Partial discharges of this Charge will be provided by the Chargee(s) upon written request by the Chargor(s) for the sale of each of the proposed dwelling units provided that the balance due on closing received from the sale of such dwelling unit, less: (i) all HST payable; (ii) legal fees along with disbursements and taxes thereon; (iii) any real estate commissions along with taxes thereon, (iv) and amounts collected for property taxes are paid first to discharge any construction financing registered in priority to this Charge, then this Charge.

(e) The Chargor(s) shall be entitled to demolish and remove any existing buildings and structures situate on the Property, and shall also be entitled to excavate, grade and/or commence and complete construction and servicing operations upon the Property, all without same being deemed an act of waste hereunder, and without triggering any payments thereunder and/or without such acts triggering any acceleration.

Appendix J

Between:

IDEAL (BC) DEVELOPMENTS INC. (the "Company"),

with its head office located at
located at 1100 Rodick Road, Markham, ON L3R 8C3

And:

AMERICAN CORPORATION

with its head office located at
5 Vernham Avenue, Toronto, ON M2L 2B1
(the "Investor"),

And:

SHAJIRAJ NADARAJALINGAM

located at 18 Forestbrook Drive, Markham, ON L6B 0E4

(collectively referred to as the "Parties")

WHEREAS the Company is in the business of developing and constructing homes in the greater Toronto Area;

AND WHEREAS the Company is developing a low-rise community on and around Bostwick Crescent, in the Town of Richmond Hill;

AND WHEREAS the Company estimates that the Project to be completed construction within 30 months from the execution of this Agreement;

AND WHEREAS the Investor is interested in investing with the Company with the intent of lending Five Million Dollars (\$5,000,000.00);

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants, agreements and conditions herein contained, it is hereby covenanted, agreed and declared by and among the Parties as follows:

1. Interpretation

1) In this Agreement,

- a) "Business Day" means any day other than a Saturday, a Sunday, a statutory holiday in the Province of Ontario, or any day on which banks are not open for business in the City of Toronto, Ontario;
- b) "Property" means the properties located on 8, 10, 12, 14, 16 & 18 Bostwick Crescent, and 2, 6, & 8 Bond Street, in the town of Richmond Hill

In this Agreement,

- a) a word importing the masculine, feminine or neuter gender only include members of the other genders;
- b) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;

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- c) a reference to any Act, by-law, rule or regulation or to a provision thereof shall be deemed to include a reference to any Act, by-law, rule or regulation or provision enacted in substitution therefore or amendment thereof; and
 - d) the headings to each section are inserted for convenience of reference only and do not form part of the Agreement;
 - e) any reference to time shall be deemed to be a reference to Toronto time;
 - f) all accounting terms have the same meaning as are applied to those terms by the Canadian Institute of Chartered Accountants.
2. **Monies to be Loaned:** The Investor agrees to invest with the Company a sum of monies equal to **Five Million Dollars (\$5,000,000.00)** to be paid to the Company by certified cheque or bank draft (hereinafter referred to as "the Investment Amount"), and shall deliver monies on or by October 31st, 2015. The Investor acknowledges that title to that part of the Property known as 16 & 18 Bostwick Crescent, and 2, 6, & 8 Bond Street, may be taken by a different company. In such event, prior to the delivery of the Investor Amount, the company taking title to the aforementioned part of the Property shall provide the Investor with an assumption agreement, assuming all of the obligations under this Agreement and its schedules, as if it were an original signatory.
3. **Security to Be Provided:** The monies shall be secured by a Charge/Mortgage in accordance with the terms as set out in the Commitment Letter attached hereto as Schedule "A",
4. **Corporate and Personal Guarantee:** The Company shall provide a Promissory Note evidencing the indebtedness by the Company to the Investor as set in the attached Schedule "B". To provide added security, Shajiraj Nadarajalingam, the President of the Company, shall provide the Investor with a Personal Guarantee ("Guarantee") guaranteeing the obligations of the Company as set out in Schedule "C". Upon repayment of the monies contemplated herein, the Promissory Note and Guarantee shall automatically be deemed null and void and of no force and effect, and the Investor shall provide authority to the Company's solicitors to register a discharge of the Charge/Mortgage.
5. **Non-Solicitation:** Both parties acknowledge this investment agreement was not solicited and arose out of a business opportunity acknowledged by both parties as business associates.
6. **Disclosure to the Investor:** The Company must make available, upon request by the Investor, all ongoing financial documents prepared by any independent cost controller in regards to Project;
7. **No Partnership, Joint Venture:** The parties are not partners or joint venturers, and nothing in this Agreement shall be deemed or construed to as creating any such relationship. In no event shall either party be held liable or accountable for any liability or obligation incurred by the other party.
8. **Amendment:** This Agreement shall not be deemed to be or construed as having been amended as a result of any oral communication between the parties or as a result of any practice of the parties, but all amendments to this Agreement shall be in writing and shall be signed by both parties, provided that any such agreement may be executed in counterpart form.
9. **Partial Invalidity:** Where one or more provisions of this Agreement are found to be invalid, unenforceable or void by any court or tribunal of competent jurisdiction, the

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remaining terms and provisions of this Agreement shall be deemed to be severable from the part so found and shall remain in full force and effect.

10. Manner of Giving Notice: Any notice, instruction or document that is permitted or required to be given, served or delivered under this Agreement or by law shall be deemed to have been validly given if given personally or by email or fax or if sent by prepaid courier or regular mail to the intended recipient at the address stated in this Agreement.

- i. In the absence of evidence or prior receipt, any notice given in accordance with the above shall be deemed to have been received by the intended recipient the same day in the case of a notice delivered by personal service, courier, fax or email, or on the third business day after sending, where sent by mail.
- ii. Either party may change its address for service by giving notice to the other party in accordance with this section.

10. Acknowledgment of Receipt:

Each of the parties acknowledges receipt of a signed copy of this Agreement.

SIGNED, SEALED and DELIVERED as of the Date written

IDEAL (BC) DEVELOPMENTS INC.

Per: [N. Shanmug] c/s
Shajiraj Nadarajalingam, *Authorized Officer*

DATE: 19th OCT, 2015

N. Shanmug
SHAJIRAJ NADARALINGAM, *in a personal capacity*

DATE: 19th OCT 2015

AMERICAN CORPORATION

Per: [_____] c/s
Fansey Wang, *Authorized Officer*

DATE: _____

Schedule "A"
COMMITMENT LETTER FOR \$5,000,000.00 to IDEAL (BC) DEVELOPMENTS INC.

To: IDEAL (BC) DEVELOPMENTS
1100 Rodick Road, Markham, ON

RE: AMERICAN CORPORATION (the "Lender") \$5,000,000.00 loan to IDEAL (BC) DEVELOPMENT INC.
(the "Borrower")

On behalf of the Lender, we are pleased to advise you that the Lender wishes to offer the following loan, subject to the terms and conditions outlined below:

BORROWER: IDEAL (BC) DEVELOPMENTS INC. (the "Borrower"),

LENDER: AMERICAN CORPORATION

LOAN: FIVE MILLION DOLLARS (\$5,000,000.00) ("Principal Amount");

PURPOSE: To develop and construct a low-rise community project located at 8, 10, 12, 14, 16 & 18 Bostwick Road, and 2, 6 & 8 Bond Street in the town of Richmond Hill (the "Project");

INTEREST RATE: Ten per cent (10%) per annum, non-compounding

BALLOON PAYMENT: At the end of the term, the Borrower shall pay at maturity to the Lender a balloon payment of 25% of the Principal Amount;

LENDER FEE: The Borrower shall pay to the Lender a Lender Fee a \$168,000.00, payable at the end of the Term.

TERM: 30 months from the date of advance of fund

EXTENSION: The Borrower shall have the option to extend for another six months, at an interest rate of 30% per annum for the extended term, only. If sales of all units are completed before the due date of this extension, the principal and interest of \$750,000.00 shall be paid without deduction or adjustment.

INTEREST PAYMENT: Interest shall become due and payable annually, and at the end of the term.

FUNDING DATE: The funds are to be advanced as follows:

- \$3,000,000.00 ("first tranche") shall be advanced on or before October 25th, 2015
- \$2,000,000.00 ("second tranche") shall be advanced on or before October 31st, 2015. The Borrower shall have the option of extending the funding date of the second tranche up until November 15th, 2015, without any penalty of fees.

SECURITY:

1. Collateral Mortgage-\$5,000,000-in second position subject to the terms set out below, against:

*25/10/15
25/11/15
2015-12
2017-12
2017-4*

MUNICIPAL ADDRESS	LEGAL DESCRIPTION
-------------------	-------------------

AKS

8 Bostwick Crescent	PT. LT. 1 PL 136 KING; PT. LT. 62 PL 136 KING; PT. LT. 63 PL 136 KING AS IN R504810; RICHMOND HILL
10 Bostwick Crescent	PT. LT. 63 PL 136 KING AS IN R209240; RICHMOND HILL
12 Bostwick Crescent	PT. LT. 64 PL 136 KING AS IN R530013; RICHMOND HILL
14 Bostwick Crescent	PT. LT. 64 PL 136 KING; PT. LOT 65 PL 136 KING ST. AS IN K406345; RICHMOND HILL
16 Bostwick Crescent	PT LT 66 PL 136
18 Bostwick Crescent	PT LT 67 PL 136
2 Bond Crescent	PT LT 67 PL 136
6 Bond Crescent	136 PT LOT 66 PT LOT 67
8 Bond Crescent	PT LT 136 W PT LTS 66 67

2. Promissory Note for Principal Amount by the Borrower;
3. Personal Guarantee by SHAJIRAJ NADARAJALINGAM

CONDITIONS PRECEDENT

1. Satisfactory review by the Lender of environmental report for the Bostwick Property confirming absence of any environmental concerns.
2. Appraisal report appraising the land on an "as is" basis at a value of no less than 100% LTV for the first and this second mortgage.

MORTGAGE CONDITIONS

The Lender acknowledges that this Mortgage will be placed during the development and construction of a low-rise community, and as such is agreeable to conditions to facilitate the normal development and construction process, including, but not limited to, the following:

- (i) The Mortgagees shall execute and deliver forthwith, without any fee or charge whatsoever and without any principal or interest repayment hereunder, such partial discharges of the Mortgage as may be reasonably required in connection with the giving of any road widenings, one foot reserves, park dedications, or other land contribution(s) to any governmental authorities, required as part of the development approval process in respect of the Property.
- (ii) The Mortgagees shall execute and deliver forthwith, without any fee or charge whatsoever and without any principal or interest repayment hereunder, all consents and acknowledgments that may be reasonably required by the Chargor to re-zone and/or subdivide the lands to permit the development thereof, or to register the lands under the Land Titles System and/or pursuant to the provisions of the *Planning Act* R.S.O. 1990, as amended, and/or any other legislation as well as any consents and acknowledgments required by the Chargor in connection with the entering into of any subdivision agreement, condominium agreement, site plan agreement, engineering agreement, development agreement or similar agreement with any governmental authorities and/or any public or private utilities, and the mortgage holder shall also consent to and postpone this Mortgage forthwith to and in favour of any easements now or hereafter granted to any such governmental authorities and/or to any public or private utility authorities in respect of the provision of services to the lands, including but not limited to easements in connection with the installation, maintenance and/or repair of storm and sanitary sewers, gas, telephone, television, hydro-electric and water services and/or similar services together with any easements for access and egress purposes in favour of any property adjacent to the lands, all without any payment whatsoever, provided however that the Mortgagees shall not be responsible for any financial or other obligations incurred in connection therewith.

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- (iii) The Mortgagees will forthwith subordinate, postpone and standstill the Mortgage to any take out and/or construction financing, as well as to any mortgage in favour of deposit bond insurers and excess condominium deposit insurance. Notwithstanding the subordination and postponement of the Mortgage to construction financing, the Borrower warrants that the Mortgagee shall only subordinate, postpone and standstill to one construction lender entity and one deposit bond insurer.
- (iv) The Mortgagees will forthwith subordinate and postpone the Mortgage to any agreements with utilities and/or governmental departments or other authorities.
- (v) Partial discharges will be provided upon written request by the Mortgagor for the sale of each of the proposed units provided that the balance due on closing received, less: (i) all HST payable; (ii) legal fees along with disbursements and taxes thereon; and (iii) any real estate commissions along with taxes thereon, are paid first to discharge any construction financing, then a mortgage securing a deposit bond and excess condominium deposit insurance, then this Mortgage. The Mortgagor acknowledges that the Mortgagor has not obtained construction financing as of the date of this Commitment and as such, agrees that the above formula may be amended to satisfy the requirements of any construction lender. The Mortgagee agrees to any such amendments required by the construction lender.
- (vi) The Mortgagor shall be entitled to demolish and remove any existing buildings and structures situate on the Property, and shall also be entitled to excavate, grade and/or commence and complete construction and servicing operations upon the Property, all without same being deemed an act of waste hereunder, and without triggering any payments thereunder and/or without such acts triggering any acceleration.
- (vii) Standard Charge Terms No. 200033 shall be utilized for this Mortgage and paragraph 14 of said Standard Charge Terms shall not apply to this Mortgage.
- (viii) In the event of any conflict or inconsistency between any provisions of the standard charge terms incorporated by reference in this Mortgage and this schedule, then the terms of this schedule shall prevail to the extent of any conflict or inconsistency.
- (ix) This Mortgage shall not be transferred by the Mortgagees without the express written consent of the Chargor.

REPRESENTATION AND WARRANTIES

The Borrower represents and warrants to the Lender that:

- 1. It is a corporation duly incorporated and validly existing under the laws of the Province of Ontario.
- 2. It has the corporate authority to borrow money from and grant security to the Lender,
- 3. It is not in default under this or any other agreement.
- 4. The financial information delivered to the Lender represent fairly its financial position and have been prepared in accordance with the applicable Canadian accounting standard.
- 5. It has paid all taxes and there are no outstanding unpaid source deductions.
- 6. It is acting on its own capacity and is not on behalf of any other party who is not registered as a shareholder of the Borrower.

MISCELLANEOUS

- 1. All changes to this letter, all waivers, and all matters affecting the Mortgage/Loan need to be in writing.
- 2. The Mortgagee acknowledges that title to the property known as 2, 6, & 8 Bond Street, and 16 & 18 Bostwick Crescent may be taken by a company other than

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the Company, in such event, such company shall assume the obligations under this Agreement.

Please provide your acceptance of this Offer Letter by signing and returning the attached duplicate copy by October 22, 2015 after which date the within offer is null and void, unless extended by the Lender.

Yours truly,


AMERICAN CORPORATION

Accepted this ____ day of _____, 2015

IDEAL (BC) DEVELOPMENTS INC.

N. Shanmug
Per:

OCT 19, 2015
Date

GUARANTOR:

N. Shanmug
SHAJIRAJ NADARAJALINGAM

OCT 19, 2015
Date

SCHEDULE "B"
FORM OF CERTIFICATE REPRESENTING PROMISSORY NOTE FOR \$5,000,000.00

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS PROMISSORY NOTE MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) [INSERT ISSUANCE DATE]; AND (II) THE DATE THE UNDERSIGNED BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

PROMISSORY NOTE
PAYABLE ON DEMAND

\$5,000,000.00

April 30, 2018

FOR VALUE RECEIVED the undersigned hereby promises to pay fifteen business days after written demand to the order of **AMERICAN CORPORATION** (the "Payee"), the sum of **FIVE MILLION DOLLARS** (\$5,000,000.00), such demand not be given prior to the earlier of (i) the completion of the sale of all of the dwelling units of the project to be constructed at 8, 10, 12, 14, 16 & 18 Bostwick Crescent, and at 2, 6, & 8 Bond Street, Richmond Hill ON, or (ii) April 30, 2018, which may be extended by 6 months pursuant to the terms set out in the Commitment Letter (Schedule "A").

Any failure by the Payee to insist upon, or any election by the Payee not to insist upon, the strict performance by the undersigned of any of the terms, provisions or conditions of this Promissory Note shall not be deemed to be a waiver of the same or of any other terms, provisions or conditions hereof and the Payee shall have the right at any time or times thereafter to insist upon the strict performance by the undersigned of any and all of such terms, provisions and conditions.

The debt represented by this Promissory Note is open for prepayment at any time or times in whole or in part without notice or reduction or adjustment of interest, and without reduction or adjustment of the Lender's Fee. This Promissory Note shall be governed and construed in accordance with the laws of the Province of Ontario. This Promissory Note shall be binding upon the undersigned, its successors and assigns.

This Promissory Note shall be collateral security to a mortgage registered on title to the properties municipally described as 8, 10, 12, 14, 16 & 18 Bostwick Crescent, and at 2, 6, & 8 Bond Street, in the town of Richmond Hill in accordance with the terms agreed upon by the parties.

Upon repayment of the amounts due and owing, by the undersigned to the Payee, this Promissory Note shall automatically become null and void and of no force and effect. Only an original of this document may be deemed valid.

IDEAL (BC) DEVELOPMENTS INC.

Per:


Name: Shajiraj Nadarajalingam
Title: Director

I have authority to bind the Corporation.

SCHEDULE "C"

PERSONAL GUARANTEE

I, **Shajiraj Nadarajalingam**, residing at 18 Forestbrook Drive, Markham, ON L6B 0E4 (hereinafter "The Guarantor"), do hereby personally guarantee the performance with regards to the Promissory Note (hereinafter Note) by and between **IDEAL (BC) DEVELOPMENTS INC.** and **AMERICAN CORPORATION** (hereinafter "the Investor") in respect to the Investment Agreement for the project, to be located at 2, 6, & 8 Bond Street, and 8, 10, 12, 14, 16 & 18 Bostwick Crescent, Richmond Hill ON , in the Town of Richmond Hill.

In the event of that Ideal (BC) Developments Inc. fails to make any payment to the Investor, or fails to perform in any manner with regard to said Agreement between the two entities, the Guarantor does hereby promises to make all payments to the Investor in the same manner as if they were the principals of said Agreement.

And furthermore, the Guarantor does hereby promises that the investor will have priority to choose in the Modern Manors Project or In other projects as agreed upon between the Parties.

IN WITNESS WHEREOF, this personal guaranty is entered into this day of 19
OCTOBER, 2015.

N. Shajiraj
Shajiraj Nadarajalingam

Appendix K

CREDIT AGREEMENT AMENDMENT - \$5 mil Loan

This agreement dated as of the 29th day of October, 2020

Between:

**IDEAL (BC) DEVELOPMENTS INC.,
2490564 ONTARIO INC. and
2490568 ONTARIO INC.**
(all collectively, the "**Borrowers**"),

each with its head office located at
65 Allstate Pkwy, Suite 101, Markham ON, L3R 9X1

And:

AMERICAN CORPORATION
(the "**Lender**"),

with its head office located at
5 Vernham Avenue, Toronto, ON M2L 2B1

And:

**IDEAL DEVELOPMENTS INC. ("Ideal Developments"),
IDEAL BEACH PROPERTY HOLDINGS (PVT) LTD. ("Ideal Beach") and
SHAJIRAJ NADARAJALINGAM ("Shaji")**
(collectively, the "**Guarantors**")

residing at 18 Forestbrook Drive, Markham, ON L6B 0E4

WHEREAS the Borrowers are in the business of developing and constructing homes in the greater Toronto area and are developing a low-rise residential community on the Properties (as defined below) (the "**Project**") and have requested that the Lender provide financing for the Project;

AND WHEREAS the Lender previously loaned to the Borrowers Five Million Dollars (\$5,000,000.00) (the "**\$5 mil Loan**") pursuant to a credit agreement dated October 19, 2015 (the "**First Credit Agreement**"), which \$5 mil Loan together with all accrued interest fees was, *inter alia*, secured by Charges registered as instrument Nos. YR2411928 and YR2378949 against the Properties;

AND WHEREAS as of October 19, 2020 the entire amount due and owing under the \$5 mil Loan, inclusive of accrued interest, was Seven Million Fifty Two Thousand Fifty Four Dollars and Eight Cents (\$7,052,054.08);

AND WHEREAS the Borrowers and the Lender entered into a second Credit Agreement dated as of August 22, 2019 (the "**Second Credit Agreement**") in which the Lender agreed to lend a further One Million Dollars (\$1,000,000.00) in United States currency (the "**\$1 mil US Loan**") to the Borrowers based on the terms and conditions contained therein;

AND WHEREAS on or about September 14th, 2020, Ideal (BC) Developments Inc. and Ideal (BC2) Developments Inc. amalgamated into Ideal (BC) Developments Inc. ("**Amalco**");

AND WHEREAS as of October 19, 2020 the entire amount due and owing under the \$1 mil US Loan, inclusive of accrued interest, was One Million Three Hundred Twenty Five Thousand Seven Hundred Fifty Four Dollars and (\$1,325,754.00 US);

AND WHEREAS the Borrowers have asked, the Lender has agreed, to extend the term of the First Credit Agreement and the \$5 mil Loan based on the terms and conditions contained herein:

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants, agreements and conditions herein contained, it is hereby covenanted, agreed and declared by and among the Parties as follows:

1. Interpretation

- (1) Unless otherwise defined in the recitals to this Agreement, defined terms in this Agreement shall have the following meaning:
 - (a) "**Business Day**" means any day other than a Saturday, a Sunday, a statutory holiday in the Province of Ontario, or any day on which banks are not open for business in the City of Toronto, Ontario;
 - (b) "**Party**" and "**Parties**" meanings individually and collectively, the Borrowers, Guarantors and Lender;
 - (c) "**Project**" has the meaning ascribed to such term in the recitals to this Agreement;
 - (d) "**Properties**" means the properties located at 8, 10, 12, 14, 16 & 18 Bostwick Crescent, and 2, 6, & 8 Bond Street, in the town of Richmond Hill, Ontario and as legally described in Schedule "A" attached hereto; and
 - (e) All other capitalized terms not defined herein shall have the meaning ascribed to them in the Second Credit Agreement.
- (2) In this Agreement,
 - (a) a word importing the masculine, feminine or neuter gender only include members of the other genders;
 - (b) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
 - (c) a reference to any Act, by-law, rule or regulation or to a provision thereof shall be deemed to include a reference to any Act, by-law, rule or regulation or provision enacted in substitution therefore or amendment thereof; and
 - (d) the headings to each section are inserted for convenience of reference only and do not form part of the Agreement;
 - (e) any reference to time shall be deemed to be a reference to Toronto time; and
 - (f) all accounting terms have the same meaning as are applied to those terms by the Canadian Institute of Chartered Accountants.

2. **Extension of Term:** The Term of the First Credit Agreement is extended to April 30, 2022 (the “**Extended Term**”).
3. **Interest Rate:** The Borrowers acknowledge and confirm that interest has been charged on the \$5 mil Loan increased from twenty five percent (25%) per annum calculated monthly in arrears to Thirty-five percent (35%) per annum calculated monthly in arrears effective as of May 29, 2020. As of the date of this Agreement, the interest rate shall drop to twenty five percent (25%) per annum calculated monthly in arrears for the balance of the Extended Term.
4. **Payment of Interest:** Interest payable on the \$5 mil Loan shall continue to accrue and be payable on the earlier of the expiry of the Extended Term or the default of the Borrower under the terms of the Second Credit Agreement as amended herein.
5. **Security:** The Borrowers and Guarantors confirm and agree that all security documentation delivered by the Borrowers the Guarantors, both individually and collectively, in favour of the Lender continue to stand as security for the obligations of the Borrowers and Guarantors pursuant to the First Credit Agreement as amended by this Agreement.
6. **Sri Lankan Property:** Notwithstanding the terms and conditions of the Second Credit Agreement, the Borrowers acknowledge that Shaji failed to fully and completely effect the transfer a the pledge of all of the shares in Ideal Beach and deliver the Sri Lankan Charge. Shaji agrees to transfer all of the shares in Ideal Beach (the “**Ideal Beach Shares**”) to the Lender. The Lender agrees to re-convey the Ideal Beach Shares to Shaji upon the repayment in full of all principal, accrued interest and related costs with regard to both the \$1 mil US Loan and the \$5 mil Loan, failing which, the Lender will have no obligation to re-convey the Ideal Beach Shares to Shaji. Further, the Lender will have no obligation to re-convey the Ideal Beach Shares to Shaji if the Borrowers are otherwise in default of the First Credit Agreement, the Second Credit Agreement, this Agreement, and/or the security and/or any undertakings delivered in connection with the foregoing, past any relevant cure periods provided for therein (if any). The Borrower and Guarantors represent and warranty that there are outstanding debts, obligations, encumbrances, liabilities, actions, suits, demand, taxes or monies owing on the Sri Lankan Property or with regard to the Ideal Beach Shares or the Ideal Beach corporation, and the Borrowers and Guarantors indemnify and save harmless and agree to defend the Lender and its officers, directors, agents, employees, shareholders, insurers, successors, administrators, assigns, affiliates and sub-contractors, from all actions, causes of action, suits, debts, duties, accounts, bonds, covenants, contracts, claims, potential claims and demands of every nature and kind that has existed or exists now, or any event that has in the past occurred, including, without limiting the generality of the foregoing, all claims and allegations made and the facts alleged in connection with the acquisition, ownership, management and development of the Sri Lankan Property and ownership of the Ideal Beach Shares.
7. **Monthly Reports:** The Borrowers agree that they will deliver to the Lender to the attention of Steven Chen sevinc@dragoninv.com on the fifth day of each month, monthly reports on the status of the development of, and the construction upon, the Lands, including without limitation, delivery of monthly bank statements, (collectively, the “**Monthly Reports**”).
8. **Development Agreements and Critical Documents:** The Borrowers agree to deliver to the Lender to the attention of Steven Chen sevinc@dragoninv.com on the fifth day of each month copies of all signed development agreements, permits, approvals, consents, design plans, architectural drawings, and any other principal documents that relate to the development of the Lands.
9. **Representations and Warranties:** All representations and warranties contained in the First Credit Agreement continue to remain accurate and true as of the date hereof.
10. **Expenses:** The Borrowers shall be liable for all expenses, charges or fees incidental to the negotiation, and closing required to effect the terms of this Agreement. These expenses include, but are not necessarily

limited to, legal fees and disbursements, architects' fees, engineers' fees, appraisal fees and insurer's fees, administrative fees where applicable, and any and all costs and expenses expended by the Lender in connection with any enforcement of either the Lender's Security Documents or any enforcement brought by any other lender that has advanced money to the Borrowers and/or the Guarantors.

11. **Documents:** The Borrower agrees and acknowledges that the documentation described in this Agreement required to finalize this transaction is not all inclusive and therefore agrees to provide, execute, etc. such other reasonable documentation as the Lender may require and/or our solicitors deem advisable.
12. **Non-Merger:** It is understood and agreed that the execution of any additional Security Documents shall in no way extinguish this Agreement or the terms and conditions hereof which shall survive and continue in full force and effect. In the case of any inconsistency or conflict with any of the provisions of this Agreement and any of the Security Documentation, or other security, the Lender shall determine which prevails. Silence in either this Agreement or the Security Documents but addressed in the other shall not be deemed an inconsistency.
13. **Waiver:** The Lender's failure to insist upon strict performance of any obligation or covenant of this Agreement by the Borrowers or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrowers of any and all of the terms of this Agreement and the Security Documents.
14. **Successors and Assigns:** This Agreement shall, subject to the provisions herein, enure to the benefit of and be binding upon our respective successors, administrators, benefactors, heirs and permitted assigns.
15. **No Partnership, Joint Venture:** The Parties are not partners or joint venturers, and nothing in this Agreement shall be deemed or construed to as creating any such relationship. In no event shall any of the Parties be held liable or accountable for any liability or obligation incurred by any other Party, other than as set out in this Agreement or the documents contemplated herein.
16. **Amendment:** This Agreement shall not be deemed to be or construed as having been amended as a result of any oral communication between the Parties or as a result of any practice of the Parties, but all amendments to this Agreement shall be in writing and shall be signed by the Borrowers and the Lender, provided that any such agreement may be executed in counterpart form.
17. **Partial Invalidity:** Where one or more provisions of this Agreement are found to be invalid, unenforceable or void by any court or tribunal of competent jurisdiction, the remaining terms and provisions of this Agreement shall be deemed to be severable from the part so found and shall remain in full force and effect.
18. **Law of Contract:** This Agreement shall be interpreted in accordance with the Laws of the Province of Ontario and the laws of Sri Lanka to the extent relevant and required in connection with the Sri Lanka Charge, the Guarantees given by Ideal Beach and Shajiraj Nadarajalingam, pledge of shares in Ideal Beach and any other security granted by any of the Guarantors (collectively, the "**Sri Lankan Security**") that is required to be governed by the laws of Sri Lanka to give full force and effect to, and the right to enforce and collect against any one or more of the Sri Lankan Security.
19. **General Terms:** The remaining terms and conditions of the First Credit Agreement shall remain in full force and effect and binding upon the parties.
20. **Time of Essence:** Time shall be of the essence in all respects in this agreement.

[Signature page follows]

SIGNED, SEALED and DELIVERED as of this 30th day of October, 2020

IDEAL (BC) DEVELOPMENTS INC.

Per: _____ c/s
Name: Shajiraj Nadarajalingam
Title: President

I/We have authority to bind the Corporation

2490564 ONTARIO INC.

Per: _____ c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

2490568 ONTARIO INC.

Per: _____ c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

**IDEAL BEACH PROPERTY HOLDINGS
(PVT) LTD.**

Per: _____ c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

IDEAL DEVELOPMENTS INC.

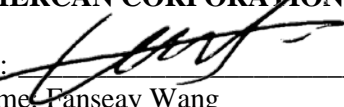
Per: _____ c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

Witness:

SHAJIRAJ NADARAJALINGAM, *in a personal capacity* (as Guarantor)

AMERICAN CORPORATION

Per:  _____ c/s
Name: Fanseay Wang
Title: Director

I have authority to bind the Corporation

SIGNED, SEALED and DELIVERED as of this 30th day of October, 2020

IDEAL (BC) DEVELOPMENTS INC.

Per:  c/s
Name: Shajiraj Nadarajalingam
Title: President

I/We have authority to bind the Corporation

2490564 ONTARIO INC.

Per:  c/s
Name: Shajiraj Nadarajalingam
Title: President


I have authority to bind the Corporation

2490568 ONTARIO INC.

Per:  c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

**IDEAL BEACH PROPERTY HOLDINGS
(PVT) LTD.**

Per:  c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

Witness: 

IDEAL DEVELOPMENTS INC.

Per:  c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation


SHAJIRAJ NADARAJALINGAM, in a personal
capacity (as Guarantor)

AMERICAN CORPORATION

Per: _____ c/s
Name: Fansey Wang
Title:

I have authority to bind the Corporation

**SCHEDULE “A”
LEGAL DESCRIPTIONS OF PROPERTIES**

PROPERTIES OWNED BY IDEAL (BC) DEVELOPMENTS INC.:

Municipal Addresses	PINs	Legal Descriptions
8 Bostwick Road	03196-0072(LT)	PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING AS IN R504810; TOWN OF RICHMOND HILL
10 Bostwick Road	03196-0073(LT)	PT LT 63 PL 136 KING AS IN R209240; TOWN OF RICHMOND HILL
12 Bostwick Road	03196-0074(LT)	PT LT 64 PL 136 KING AS IN R530013; TOWN OF RICHMOND HILL
14 Bostwick Road	03196-0075(LT)	PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345; RICHMOND HILL

Municipal Addresses	PINs	Legal Descriptions
6 Bond Crescent	03196-0077(LT)	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B; RICHMOND HILL

Municipal Addresses	PINs	Legal Descriptions
16 Bostwick Road	03196-0078(LT)	PT LT 66 PL 136 KING AS IN R690041; TOWN OF RICHMOND HILL
2 Bond Crescent	03196-0080(LT)	PT LT 67 PL 136 KING AS IN KI22033 EXCEPT R135070, B54438B, & R601987; TOWN OF RICHMOND HILL
8 Bond Crescent	03196-0076(LT)	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN R135070; RICHMOND HILL

Municipal Addresses	PINs	Legal Descriptions
18 Bostwick Road	03196-0079(LT)	PT LT 67 PL 136 KING AS IN R601987; RICHMOND HILL

SCHEDULE "B"
UNDERTAKING

UNDERTAKING RE: DELIVERY OF DOCUMENTS

TO: AMERICAN CORPORATION
AND TO: GOWLING WLG (CANADA) LLP, its Solicitors herein

RE: American Corporation (the "**Lender**") Postponement of Charge given to Ideal (BC) Developments Inc., Ideal (BC2) Developments Inc., 2490564 Ontario Inc. and 2490568 Ontario Inc. (collectively, the "**Borrowers**") as guaranteed by Ideal Developments Inc., Ideal Beach Property Holdings (Pvt) Ltd. ("**Ideal Beach**") and Shajiraj Nadarajalingam, (collectively, the "**Guarantors**") relating to the development of the lands and premises municipally known as 8, 10, 12, 14, 16 & 18 Bostwick Crescent, and 2, 6, & 8 Bond Street, Richmond Hill, Ontario

IN CONSIDERATION OF the closing of the above-noted transaction, the undersigned hereby undertakes as follows:

1. To deliver all **original** executed documents to Gowling WLG (Canada) LLP within one (1) week of the date hereof;
2. To deliver the following documents with regard to property owned by Ideal Beach in Sri Lanka (the "**Sri Lanka Property**") to Gowling WLG (Canada) LLP within three (3) business days of the date hereof, including, but not limited to:
 - (1) Deeds, severance, survey, and plans;
 - (2) The company documentations;
 - (3) Permits and Approvals;
 - (4) All agreements and commitments entered with third parties; and
 - (5) Designs (architecture and engineering), Marketing materials;
3. To deliver to Gowling WLG (Canada) LLP on or before November 20, 2020 an appraisal confirming that the Sri Lanka Property is valued at not less than \$7,65 Million US.
4. To deliver the following documents relating to the Sri Lankan Property to Gowling WLG (Canada) LLP within three (3) business days of the date hereof, including, but not limited to:
 - (1) All title deeds and documents covering a period of 30 to 35 years from the previous owner up to the present owner including survey plans relating to the property;
 - (2) Local Authority Certificates such as Certificates of Ownership/ non vesting/street lines /building lines/ Statutory Notices of Assessment for the current year and receipts for payment of assessment rates up to the current quarter;
 - (3) Clearance Certificate from the Coast Conservation and Coastal Resource Management Department in regard to set back area/ coastal reservation;
 - (4) Project Approvals;

- (5) Corporate approvals such as resolutions adopted by the respective Shareholders/Boards of Directors of the previous Seller Company ie. Strategic Holdings Limited and the Present owner ie. Ideal Beach Property Holdings (Private) Limited for the sale /purchase transaction;
- (6) Receipts issued by the sellers for the payment of the purchase price on the Deeds of Transfer in favour of the present owner;
- (7) up to date copies certified by a Director or Secretaries of Strategic Holdings Limited, as true copies of:
 - (a) Certificate of Incorporation of the Company;
 - (b) Articles of Association;
 - (c) Latest Annual Return (Form 15);
 - (d) Form 20 (Directors' Particulars);
- (8) up to date copies certified by a Director or Secretaries of Ideal Beach Property Holdings (Private) Limited, as true copies of:
 - (a) Certificate of Incorporation of the Company;
 - (b) Articles of Association;
 - (c) Latest Annual Return (Form 15);
 - (d) Form 20 (Directors' Particulars);
- (9) In regard to the title deeds and documents relating to the properties, while we will be in a position to give a full list of the title deeds, we require only after we complete our examination of registers relating to the properties at the Trincomalee Land Registry, with a view to expediting the matter, we give below a list of some of the title deeds and plans, the details of which we have ascertained from a perusal of the copies of two Deeds of Transfer which were furnished to us:
 - (a) Deed of Transfer No. 4284 dated 18th March 1970 attested by P. Renganathan Notary Public (Trincomalee);
 - (b) Deed of Transfer No. 4923 dated 22nd June 1972 attested by P. Renganathan Notary Public (Trincomalee);
 - (c) Deed of Transfer No. 4924 dated 22nd June 1972 attested by P. Renganathan Notary Public (Trincomalee);
 - (d) Deed of Transfer No. 4925 dated 22nd June 1972 attested by P. Renganathan Notary Public (Trincomalee);
 - (e) Deed of Transfer No. 5031 dated 19th November 1972 attested by P. Renganathan Notary Public (Trincomalee);
 - (f) Deed of Transfer No. 928 dated 18th September 1979 attested by G.S.Herat - Gunaratne Notary Public (Colombo);
 - (g) Deed of Gift No. 2014 dated 28th February 1999 attested by S.Chitravelu, Notary Public (Trincomalee);
 - (h) Plan No. 356 dated 20th October 1959 made by D. Warnakulasuriya, Licensed Surveyor;
 - (i) Plan No. 356-35A dated 20th February 1961 made by D. Warnakulasuriya, Licensed Surveyor;
 - (j) Plan No. 256A dated 22nd June 1972 made by S. Velupillai, Licensed Surveyor;
 - (k) Plan No. 263 dated 8th September 1972 made by S. Velupillai, Licensed Surveyor;

- (l) Plan No. 918 dated 8th June 1976 made by M.S.T.P. Senadhira, Licensed Surveyor;
 - (m) Plan No. 978 dated 25th November 1998 made by P.Ponnasamy, Licensed Surveyor;
 - (n) Plan No. 950 dated 4th July 1998 made by R.Ponnasamy, Licensed Surveyor;
 - (o) Survey Plan No. 5350 (date cannot be ascertained) made by A.M.S.Attanayaka, Licensed Surveyor;
 - (p) Clear complete copy of the approved Plan No. 1828 (date not clear) made by S.Velupillai, Licensed Surveyor (the scanned copy furnished to us is not clear); and
 - (q) Clear complete copy of approved Plan No.3058 dated 1st June 2016 made by P. Mahenthdranathan, Licensed Surveyor (the scanned copy furnished to us is not clear);
- (10) Evidence, supported by a written confirmation from Shajiraj Nadarajalingam, of the payment of the purchase price of the Sri Lankan Property, including without limitation, the source of all funds that flowed from Canada or other countries into Sri Lanka to acquire the Sri Lankan Property and the bank account numbers and wire confirmation evidencing same; and
- (11) Copy of all tax returns, financial statements, bank statements for Ideal Beach Property Holdings (Private) Limited since its incorporation, as well as, bank accounts information held and/or maintained in Sri Lanka by any of the Borrowers and Guarantors, and in particular, Ideal Beach Property Holdings (Private) Limited.

DATED at Toronto, Ontario this 30 day of October, 2020.

IDEAL (BC) DEVELOPMENTS INC.

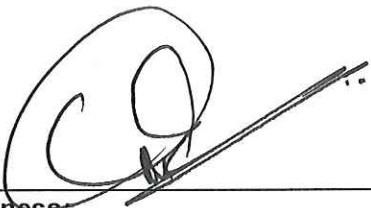
Per: N. Shanmugam c/s
Name: Shajiraj Nadarajalingam
Title: President
I have authority to bind the Corporation

2490564 ONTARIO INC.

Per: M. Shanj c/s
Name: Shajiraj Nadarajalingam
Title: President
I have authority to bind the Corporation

2490568 ONTARIO INC.

Per: M. Shanj c/s
Name: Shajiraj Nadarajalingam
Title: President
I have authority to bind the Corporation

Witness: 

M. Shanj
Shajiraj Nadarajalingam

Appendix L

SECOND CREDIT AGREEMENT AMENDMENT - \$5 mil Loan

This agreement dated as of the 10th day of March, 2021

Between:

**IDEAL (BC) DEVELOPMENTS INC.,
2490564 ONTARIO INC. and
2490568 ONTARIO INC.**

(all collectively, the "**Borrowers**"),
each with its office located at

65 Allstate Parkway, Suite 101, Markham Ontario, L3R 9X1

And:

AMERICAN CORPORATION

(the "**Lender**"),

with its head office located at

Suite 1001, 980 Yonge Street, Toronto, Ontario, M4W 3V8

And:

IDEAL DEVELOPMENTS INC. ("Ideal Developments"),

with its head office located at

65 Allstate Parkway, Suite 101, Markham Ontario, L3R 9X1

IDEAL BEACH PROPERTY HOLDINGS (PVT) LTD. ("Ideal Beach")

with its office located at

Suite 1001, 980 Yonge Street, Toronto, Ontario, M4W 3V8

and

SHAJIRAJ NADARAJALINGAM ("Shaji")

(collectively, the "**Original Guarantors**")

5 Ridgeway Drive, Markham, Ontario, L6B 1A8

And:

IDEAL (WC) DEVELOPMENTS INC. ("Ideal WC") and

IDEAL (JS) DEVELOPMENTS INC. ("Ideal JS")

(the Original Guarantors, Ideal WC and Ideal JS the "**Guarantors**")

with their office at 65 Allstate Parkway, Suite 101, Markham Ontario, L3R 9X1

WHEREAS the Borrowers are in the business of developing and constructing homes in the greater Toronto area and are developing residential development on the Properties (as defined below) (the "**Project**") and have requested that the Lender provide financing for the Project;

AND WHEREAS the Borrowers, Original Guarantors and the Lender entered into a credit agreement dated October 19, 2015 (the "**Original \$5 mil Credit Agreement**"), in which the Lender agreed to lend to the Borrowers Five Million Canadian Dollars (\$5,000,000.00) (the "**\$5 mil Loan**") based on the terms and conditions contained therein, which \$5 mil Loan was secured, *inter alia*, by a Charge granted by the Borrowers and Ideal (BC2) Developments Inc., as chargors in favour of the Lender against title to the Properties (as defined below) in the amount of \$5,000,000 registered on January 5, 2016 as Instrument No. YR2411928 and YR2378949 (the "**Amercan \$5 mil Charges**");

AND WHEREAS the Original \$5 mil Credit Agreement was amended pursuant to credit amendment agreements dated October 31, 2018, August 22, 2019 and October 29, 2020 (collectively, the “**First \$5 mil Credit Agreement Amendments**”);

AND WHEREAS on or about September 14th, 2020, Ideal (BC) Developments Inc. and Ideal (BC2) Developments Inc. amalgamated into Ideal (BC) Developments Inc.;

AND WHEREAS 2490564 Ontario Inc. transferred the properties located at 2 and 8 Bond Cres. and 16 Bostwick Crescent, Richmond Hill to Ideal (BC) pursuant to a Transfer from trustee to beneficial owner registered on September 18, 2020 as Instrument No. YR3142295;

AND WHEREAS 2490568 Ontario Inc. transferred the properties located at 18 Bostwick Crescent, Richmond Hill to Ideal (BC) pursuant to a Transfer from trustee to beneficial owner registered on September 18, 2020 as Instrument No. YR3142296;

AND WHEREAS Amercan transferred the Amercan \$5 mil Charges to Fiera FP Real Estate Financing Fund, L.P. (“**Fiera**”) pursuant to a Transfer of Charge registered on October 30, 2020 as Instrument Nos. YR3163284 and YR3163283;

AND WHEREAS the Lender extended an initial loan to the Borrowers, as guaranteed by the Original Guarantors, in the original principal amount of \$1 mil USD pursuant to a credit agreement dated as of August 22, 2019 as amended by an amending agreement dated October 29, 2020 (the “**\$1 mil USD Loan**”), which is collaterally secured against the title to the Properties;

AND WHEREAS the Borrower went into default of the Original \$5 mil Credit Agreement as amended by the First \$5 mil Credit Agreement Amendments (collectively, the “**\$5 mil Credit Agreement**”);

AND WHEREAS the Borrowers have asked the Lender for certain concessions and to restructure the \$5 mil Loan, and the parties have agreed to enter into this Agreement to amend the terms of \$5 mil Credit Agreement (the \$5 mil Credit Agreement as amended by this Agreement the “**Amended \$5 mil Credit Agreement**”);

AND WHEREAS Ideal WC and Ideal JS have agreed to enter into this Agreement and to guarantee the indebtedness of the Borrowers to the Lender to repay the \$5 mil Loan in accordance with the terms set out in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of Ten Dollars (\$10.00), the premises and the mutual covenants, agreements and conditions herein contained, it is hereby covenanted, agreed and declared by and among the Parties as follows:

1. Interpretation

- (1) Unless otherwise defined in the recitals to this Agreement, defined terms in this Agreement shall have the following meaning:
 - (a) “**Business Day**” means any day other than a Saturday, a Sunday, a statutory holiday in the Province of Ontario, or any day on which banks are not open for business in the City of Toronto, Ontario;
 - (b) “**Party**” and “**Parties**” meanings individually and collectively, the Borrowers, Guarantors and Lender;
 - (c) “**Project**” has the meaning ascribed to such term in the recitals to this Agreement;

- (d) **"Properties"** means the properties located at 8, 10, 12, 14, 16 & 18 Bostwick Crescent, and 2, 6, & 8 Bond Street, in the town of Richmond Hill, Ontario and as legally described in Schedule "A" attached hereto; and
- (e) All other capitalized terms not defined herein shall have the meaning ascribed to them in the Original \$5 mil Credit Agreement as amended by the First \$5 mil Credit Agreement Amendments.

(2) In this Agreement,

- (a) a word importing the masculine, feminine or neuter gender only include members of the other genders;
- (b) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
- (c) a reference to any Act, by-law, rule or regulation or to a provision thereof shall be deemed to include a reference to any Act, by-law, rule or regulation or provision enacted in substitution therefore or amendment thereof; and
- (d) the headings to each section are inserted for convenience of reference only and do not form part of the Agreement;
- (e) any reference to time shall be deemed to be a reference to Toronto time; and
- (f) all accounting terms have the same meaning as are applied to those terms by the Canadian Institute of Chartered Accountants.

- 2. **Extension of Term:** The Term of the \$5 mil Loan is extended to 11:59pm on August 31, 2022 (the **"Revised Extended Term"**).
- 3. **Interest Rate:** The Lender agrees to retroactively reduce the annual interest rate payable in connection with and charged against the \$5 mil Loan to twenty percent (20%) per annum (the **"Revised Interest Rate"**) effective as of April 25, 2019. Interest at the revised Interest Rate on the \$5 mil Loan shall be calculated monthly in arrears, both before and after default until fully repaid.
- 4. **Outstanding Principal and Interest:** As of February 28, 2021 the total amount, including, without limitation, principal and accrued interest outstanding under the \$5 mil Loan is Seven Million Nine Hundred Fourteen Thousand Three Hundred and Eighty Three Dollars (\$7,914,383.00) as detailed on Schedule "B" attached (the **"Outstanding \$5 mil Balance"**);

5. **Ideal Beach Shares and Sri Lankan Lands:** Ideal Developments and Shaji agree to fully release and forever disclaim any right, title and interest in and to the shares in Ideal Beach and to lands owned by Ideal Beach in Sri Lanka. Shaji agrees to execute such further and other documentation as may be required by the Lender, acting reasonably, to give full force and effect to this full and final release of the shares of Ideal Beach and to the lands owned by Ideal Beach in Sri Lanka. In consideration of the aforementioned full and final release, effective as of the date hereof, the Lender agrees to reduce the amount of the Outstanding \$5 mil Balance by Three Million Five Hundred Thousand Dollars (\$3,500,000) and after such reduction the total amount, including, without limitation, principal and accrued interest, outstanding under the \$5 mil Loan will be Four Million Four Hundred Fourteen Thousand Three Hundred Eighty Three Dollars (\$4,414,383.00) (the “**Remaining \$5 mil Loan Balance**”). Shaji agrees to deliver the following documents to the Lender that were previously listed in the Post Closing Undertaking delivered by the Borrowers and Shaji to the Lender in connection with the Sri Lankan Lands:

- (1) written confirmation from Shaji of the payment of the purchase price of each portion of land that comprises lands owned by Ideal Beach in Sri Lanka (the “**Sri Lankan Lands**”); and
- (2) Shaji’s confirmation that he will be responsible for any payable, loan, and liability related to Ideal (Beach) and Sri Lanka Lands if and only if such payable, loan, and liability was due and payable before October 29, 2020.

6. **Payment of Interest:** Interest at the Revised Interest Rate shall accrue and be payable on the Remaining \$5 mil Loan on the earlier of the expiry of the Revised Extended Term or the default of the Borrowers under the terms of this Agreement.

7. **Additional Guarantees:**

Ideal WC and Ideal JS agree to deliver the following additional security documents to the Lender (the “**Additional Security Documents**”):

- (1) Ideal WC agrees to deliver a guarantee to the Lender of the obligation of the Borrowers to the Lender to repay the Remaining \$5 mil Loan Balance together with all capitalized and accrued interest due and owing thereon, together with a collateral charge securing the obligations of Ideal WC under the guarantee in the principal amount of \$2,000,000 to be registered in fourth position against lands municipally known as 6532 & 6544 Winston Churchill Blvd., Mississauga, Ontario, being PINs 13243-0269 and 13243-0378 (the “**WC Properties**”). Lender agrees to act reasonably in providing consent to a postponement and subordination of the collateral charge in favour of construction financing with respect to the WC Properties; and
- (2) Ideal JS agrees to deliver a guarantee to the Lender of the indebtedness of the Borrowers to the Lender to repay the Remaining \$5 mil Loan Balance together with all accrued interest due and owing thereon.

8. **Discharge of Registered \$5 mil Loan Charges:** The Borrowers have requested, and the Lender has agreed, concurrently with the execution of this Agreement to execute a discharge of the \$5 mil Loan Charges including any registered amendments and postponements related thereto; however, the Borrowers, the Original Guarantors, Ideal WC and Ideal JS acknowledge and confirm that notwithstanding the discharge of the registered \$5 mil Charges from title to the Properties the Remaining \$5 mil Loan Balance continues to remain due and owing outstanding. The Borrowers shall use all reasonable due diligence to secure a new loan in the amount of at least Four Million Dollars (\$4,000,000), which may be secured against the Properties (the “**Replacement Loan**”). The Lender shall obtain the consent of Fiera to the discharge of the \$5 mil Loan Charges with respect to any of the \$5 mil Charges transferred to Fiera.

9. **Irrevocable Direction re Proceeds of Replacement Loan:** The Borrowers agree to and in favour of, *inter alia*, the Lender, irrevocably direct Friedman Law Professional Corporation to hold all proceeds of the Replacement Loan in an interest bearing trust account together with a specific direction to Friedman Law Professional Corporation to only release the proceeds of the Replacement Loan to settle claims made by purchasers of units in a residential project (the “**Ideal JS Purchasers**”) that was to have been constructed by Ideal JS at 39, 53 & 67 Jefferson Sideroad, Richmond Hill, Ontario (the “**Ideal JS Jefferson Properties Project**”). Ideal JS acknowledges and agrees that it will use its reasonable efforts to obtain a full and final release in the form attached as Schedule “C” hereto from the Ideal JS Purchasers prior to distribution of any proceeds from the Replacement Loan. The Borrowers and Ideal JS direct Friedman Law Professional Corporation to provide the Lender within forty-eight (48) hours of receipt of written request, with a trust statement to confirm the quantum of the Replacement Loan that remain in trust and a corresponding updated list of any funds that have been distributed to the Ideal JS Purchasers. Nothing contained herein shall prohibit Ideal BC from arranging for construction financing to be secured by a mortgage against title to the Properties. For clarity, the proceeds of any construction loan obtained in relation to the Properties is not required to be held by Friedman Law Professional Corporation in trust or to be used as repayment of deposits to Ideal JS Purchasers.
10. **Continuing Security:** The Borrowers and Original Guarantors confirm and agree that, save and except for the Amercan \$5 mil Charges and any security referred to in paragraph 7 of this Agreement, all security documentation delivered by the Borrowers and the Original Guarantors to the Lender, both individually and collectively, in favour of the Lender continue to stand as security for the obligations of the Borrowers and Original Guarantors pursuant to the \$5 mil Second Credit Agreement until the entire amount of the Remaining \$5 mil Loan Balance is paid in full together with accrued interest and expenses to the extent that they apply.
11. **Monthly Reports:** The Borrowers agree that they will deliver to the Lender to the attention of Steven Chen steven@dragoninv.com on the fifth day of each quarter, quarterly reports on the status of the development of, and the construction upon, the Properties,.
12. **Representations and Warranties:** All representations and warranties contained in the \$5 mil Credit Agreement as amended by this Agreement continue to remain accurate and true as of the date hereof.
13. **Events of Default:** Upon the occurrence of an event of default and the expiry of any curing provision under the \$5 mil Second Credit Agreement as amended by this Agreement, the existing Security Documents, or the Additional Security Documents, the Lender may exercise all rights and remedies available under aforementioned documents and agreements and at law.
14. **Cross Default:** In the event any default occurs under any other credit, loan or security agreement to which any of the Borrowers is a party, such default shall in the Lender’s sole discretion constitute a default under this Agreement.
15. **Expenses:** The Borrowers shall be liable for all reasonable expenses, charges or fees incidental to the negotiation, and closing required to effect the terms of this Agreement. These expenses include, but are not necessarily limited to, legal fees and disbursements, and any and all reasonable costs and expenses expended by the Lender in connection with any enforcement of either the Lender’s Security Documents or any enforcement brought by any other lender that has advanced money to the Borrowers, the Original Guarantors, Ideal JS and Ideal WC.
16. **Documents:** The Borrowers agrees and acknowledges that the documentation described in this Agreement required to finalize this transaction is not all inclusive and therefore agrees to provide, execute, etc. such other reasonable documentation as the Lender may require and/or our solicitors deem advisable to implement the terms of this Agreement.
17. **Non-Merger:** It is understood and agreed that the execution of any additional Security Documents shall

in no way extinguish this Agreement or the terms and conditions hereof which shall survive and continue in full force and effect. In the case of any inconsistency or conflict with any of the provisions of this Agreement and any of the security, the Lender shall determine which prevails. Silence in either this Agreement or the security documents but addressed in the other shall not be deemed an inconsistency.

18. **Waiver:** The Lender's failure to insist upon strict performance of any obligation or covenant of this Agreement by the Borrowers or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrowers of any and all of the terms of this Agreement and the Security Documents.
19. **Successors and Assigns:** This Agreement shall, subject to the provisions herein, enure to the benefit of and be binding upon our respective successors, administrators, benefactors, heirs and permitted assigns.
20. **No Partnership, Joint Venture:** The Parties are not partners or joint venturers, and nothing in this Agreement shall be deemed or construed to as creating any such relationship. In no event shall any of the Parties be held liable or accountable for any liability or obligation incurred by any other Party, other than as set out in this Agreement or the documents contemplated herein.
21. **Amendment:** This Agreement shall not be deemed to be or construed as having been amended as a result of any oral communication between the Parties or as a result of any practice of the Parties, but all amendments to this Agreement shall be in writing and shall be signed by the Borrowers and the Lender, provided that any such agreement may be executed in counterpart form.
22. **Partial Invalidity:** Where one or more provisions of this Agreement are found to be invalid, unenforceable or void by any court or tribunal of competent jurisdiction, the remaining terms and provisions of this Agreement shall be deemed to be severable from the part so found and shall remain in full force and effect.
23. **Law of Contract:** This Agreement shall be interpreted in accordance with the Laws of the Province of Ontario.
24. **Counterparts:** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and the same agreement. This Agreement, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.
25. **General Terms:** The remaining terms and conditions of the \$5 mil Credit Agreement shall remain in full force and effect and binding upon the parties.
26. **Time of Essence:** Time shall be of the essence in all respects in this agreement.

[Signature page follows]

SIGNED, SEALED and DELIVERED as of this 9th day of March, 2021

IDEAL (BC) DEVELOPMENTS INC.

Per: N. Shanj c/s
Name: Shajiraj Nadarajalingam
Title: President

I/We have authority to bind the Corporation

IDEAL DEVELOPMENTS INC.

Per: N. Shanj c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

2490564 ONTARIO INC.

Per: N. Shanj c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

2490568 ONTARIO INC.

Per: N. Shanj c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

IDEAL (JS) DEVELOPMENTS INC.

Per: N. Shanj c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

IDEAL (WC) DEVELOPMENTS INC.

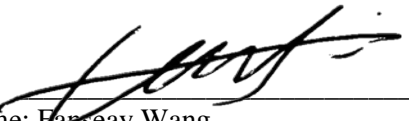
Per: N. Shanj c/s
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the Corporation

Shajiraj Nadarajalingam
Witness: SHIDAZARI

N. Shanj
SHAJIRAJ NADARAJALINGAM, in a personal
capacity (as Guarantor)

AMERICAN CORPORATION

Per:  c/s
Name: Fansey Wang
Title:

I have authority to bind the Corporation

SCHEDULE "A"
LEGAL DESCRIPTIONS OF PROPERTIES

PROPERTIES OWNED BY IDEAL (BC) DEVELOPMENTS INC.:

Municipal Addresses	PINs	Legal Descriptions
8 Bostwick Road	03196-0072(LT)	PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING AS IN R504810; TOWN OF RICHMOND HILL
10 Bostwick Road	03196-0073(LT)	PT LT 63 PL 136 KING AS IN R209240; TOWN OF RICHMOND HILL
12 Bostwick Road	03196-0074(LT)	PT LT 64 PL 136 KING AS IN R530013; TOWN OF RICHMOND HILL
14 Bostwick Road	03196-0075(LT)	PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345; RICHMOND HILL

Municipal Addresses	PINs	Legal Descriptions
6 Bond Crescent	03196-0077(LT)	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B; RICHMOND HILL

Municipal Addresses	PINs	Legal Descriptions
16 Bostwick Road	03196-0078(LT)	PT LT 66 PL 136 KING AS IN R690041; TOWN OF RICHMOND HILL
2 Bond Crescent	03196-0080(LT)	PT LT 67 PL 136 KING AS IN KI22033 EXCEPT R135070, B54438B, & R601987; TOWN OF RICHMOND HILL
8 Bond Crescent	03196-0076(LT)	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN R135070; RICHMOND HILL

Municipal Addresses	PINs	Legal Descriptions
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18 Bostwick Road	03196-0079(LT)	PT LT 67 PL 136 KING AS IN R601987; RICHMOND HILL
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SCHEDULE "B"
MORTGAGE STATEMENT

AMERICAN CORPORATION

Mortgage Statement

March 8, 2021

To whom it may concern

Re: Loan from American Corporation to Ideal (BC) Developments Inc. secured by mortgages registered as Instrument #: YR2411928 & YR2378949 against the title of the properties municipally known as 8-18 Bostwick Cres. and 2, 6 & 8 Bond Cres., Richmond Hill, Ontario

Principal balance as of Oct.19, 2020:	CAD \$5,000,000.00
Interest accrued to Oct.19, 2020:	CAD \$2,952,054.08
Total amount owing as of Oct.19, 2020:	CAD \$7,952,054.08

Since we agreed the interest rate adjustment of 20% from April 25,2019, the total amount owing as of Feb.28,2021 is adjusted to \$7,914,383.900.

CAD \$2,777.78 per diem from Feb.28,2021.

AMERICAN CORPORATION

Per: Chen Tsung-Hsi

Name: Chen, Tsung-Hsi

Title: Director

I have authority to bind the corporation

E.O.& E.

SCHEDULE "C"

SETTLEMENT LANGUAGE RE IDEAL JS PURCHASERS

RELEASE

B E T W E E N:

[Name of Purchaser from Ideal JS]

(hereinafter referred to as the "**Releasor**")

OF THE FIRST PART

- and -

2011836 Ontario Corp., carrying on business as Grand Grace Development, Jefferson Properties Limited Partnership, Dragon Holding Global Real Estate Funds SPC and Amercan Corporation

(hereinafter referred to as the "**Releasees**")

OF THE SECOND PART

KNOW ALL MEN BY THESE PRESENTS that in consideration of the payment of the sum of **TEN DOLLARS (\$10.00)** in lawful money of Canada by the Releasees to the Releasor and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Releasor (which term includes his spouse, heirs, agents, executors, administrators, trustees, successors, subrogees and assigns), the Releasor does hereby remise, release and forever discharge the Releasees (which term includes their respective direct and indirect parents, subsidiaries and affiliates and their respective partners, shareholders, officers, directors, servants, agents, employees, subrogees, predecessors, trustees, successors and assigns) of and from all manner of action, causes of action, suits, debts, dues, covenants, accounts, contracts, rights, damages, judgments, costs, expenses and compensation, claims and demands whatsoever, whether at law or in equity, including any subrogated claims and demands and any claims and demands arising by way of indemnity, contribution or other relief over, which as against the Releasees the Releasor ever had, now has or which the Releasor hereafter can, shall or may have, for or by reason of or arising from any matter, thing or claim whatsoever, and, without restricting the generality of the forgoing, any claims under or related to any agreement of purchase and sale or similar agreement entered into by the Releasor with any person in relation to the lands municipally known as 39, 53 and 67 Jefferson Sideroad, Richmond Hill, Ontario ("**Claims**").

AND FOR THE SAID CONSIDERATION, the Releasor agrees not to make any claim or take any proceedings (expressly including any cross-claim, counterclaim, third party action or application) against any other person, corporation, association, partnership or any other entity who might claim contribution, indemnity or other relief over from the Releasees with respect to any of the causes, matters or things referred to above.

IT IS UNDERSTOOD AND AGREED that the Releasor shall not encourage or cooperate or otherwise participate or confer with any potential plaintiff, to commence any legal action or make any claim against the Releasees with respect to any of the causes, matters or things referred to above.

IT IS FURTHER UNDERSTOOD AND AGREED that the Releasor shall not make, or cause to be made, any statement or communicate any information (whether oral or written) that disparages or reflects negatively on the Releasees.

IT IS FURTHER UNDERSTOOD AND AGREED that the granting of consideration by the Releasees to the Releasor is deemed to be no admission whatsoever of liability on the part of the Releasees.

THE RELEASOR declares that they have read and understood this Release, and that they have entered into this Release freely, having obtained independent legal advice.

THIS RELEASE shall be binding upon the Releasor, their spouse, heirs, agents, executors, administrators, trustees, successors, subrogees and assigns and shall enure to the Releasees' benefit and to the benefit of its respective direct and indirect parents, subsidiaries and affiliates and its respective officers, directors, servants, agents, employees, subrogees, predecessors, trustees, successors and assigns.

For the avoidance of doubt, this Release shall be construed, interpreted and performed in accordance with the laws of the Province of Ontario.

IN WITNESS WHEREOF the Releasor has hereunto affixed his hand and seal this _____ day of _____, 2021.

_____)	_____
)	
Witness)	Releasor
)	

Appendix M

THIRD CREDIT AGREEMENT AMENDMENT - \$5 mil Loan

This agreement dated as of the ^{November}~~October~~ 1st day of ~~October~~, 2021

Between:

**IDEAL (BC) DEVELOPMENTS INC.,
2490564 ONTARIO INC. and
2490568 ONTARIO INC.**

(all collectively, the “**Borrowers**”),
each with its office located at

65 Allstate Parkway, Suite 101, Markham Ontario, L3R 9X1

And:

AMERICAN CORPORATION

(the “**Lender**”),

with its head office located at

Suite 1001, 980 Yonge Street, Toronto, Ontario, M4W 3V8

And:

IDEAL DEVELOPMENTS INC. (“Ideal Developments”),

with its head office located at

65 Allstate Parkway, Suite 101, Markham Ontario, L3R 9X1

IDEAL BEACH PROPERTY HOLDINGS (PVT) LTD. (“Ideal Beach”)

with its office located at

Suite 1001, 980 Yonge Street, Toronto, Ontario, M4W 3V8

and

SHAJIRAJ NADARAJALINGAM (“Shaji”)

(collectively, the “**Original Guarantors**”)

5 Ridgeway Drive, Markham, Ontario, L6B 1A8

And:

IDEAL (WC) DEVELOPMENTS INC. (“Ideal WC”) and

IDEAL (JS) DEVELOPMENTS INC. (“Ideal JS”)

(the Original Guarantors, Ideal WC and Ideal JS the “**Guarantors**”)

with their office at 65 Allstate Parkway, Suite 101, Markham Ontario, L3R 9X1

WHEREAS the Borrowers are in the business of developing and constructing homes in the greater Toronto area and are developing residential development on the Properties (as defined below) (the “**Project**”) and have requested that the Lender provide financing for the Project;

AND WHEREAS the Borrowers, Original Guarantors and the Lender entered into a credit agreement dated October 19, 2015 (the “**Original \$5 mil Credit Agreement**”), in which the Lender agreed to lend to the Borrowers Five Million Canadian Dollars (\$5,000,000.00) (the “**\$5 mil Loan**”) based on the terms and conditions contained therein, which \$5 mil Loan was secured, *inter alia*, by a Charge granted by the Borrowers and Ideal (BC2) Developments Inc., as chargors in favour of the Lender against title to the Properties (as defined below) in the amount of \$5,000,000 registered on January 5, 2016 as Instrument No. YR2411928 and YR2378949 (the “**Amercan \$5 mil Charges**”);

AND WHEREAS the Original \$5 mil Credit Agreement was amended pursuant to credit amendment agreements dated October 31, 2018, August 22, 2019, October 29, 2020, and March 10, 2021 (collectively, the “**First \$5 mil Credit Agreement Amendments**”, and together with the Original \$5 mil Credit Agreement, “**\$5 mil Credit Agreement**”);

AND WHEREAS on or about September 14th, 2020, Ideal (BC) Developments Inc. and Ideal (BC2) Developments Inc. amalgamated into Ideal (BC) Developments Inc.;

AND WHEREAS 2490564 Ontario Inc. transferred the properties located at 2 and 8 Bond Cres. and 16 Bostwick Crescent, Richmond Hill to Ideal (BC) pursuant to a Transfer from trustee to beneficial owner registered on September 18, 2020 as Instrument No. YR3142295;

AND WHEREAS 2490568 Ontario Inc. transferred the properties located at 18 Bostwick Crescent, Richmond Hill to Ideal (BC) pursuant to a Transfer from trustee to beneficial owner registered on September 18, 2020 as Instrument No. YR3142296;

AND WHEREAS in accordance with section 8 of the Second Credit Agreement Amendment entered into by the parties hereto on March 10, 2021 (the “**Second Credit Agreement Amendment**”), the Lender agreed to discharge the Amercan \$5 mil Charges in connection with additional Project financing in the form of the Replacement Loan (as such term is defined in the Second Credit Agreement Amendment) that the Borrowers agreed to use reasonable efforts to secure and to such end, the Amercan \$5 mil Charges were discharged through the Discharge of Charges registered on title to the Properties on March 16, 2021 as Instrument No. YR3223319 and YR3223318 (the “**Discharges of the Amercan \$5 mil Charges**”);

AND WHEREAS the Replacement Loan did not materialize subsequent to the Discharges of the Amercan \$5 mil Charges;

AND WHEREAS the parties hereto agree that charges substantially similar to the Amercan \$5 mil Charges that were discharged shall be registered on title to the Properties promptly upon the full acceptance of this Agreement;

AND WHEREAS the parties hereto have agreed to enter into this Agreement to amend the terms of \$5 mil Credit Agreement (the \$5 mil Credit Agreement as amended by this Agreement, the “**Amended \$5 mil Credit Agreement**”);

AND WHEREAS Ideal WC and Ideal JS have agreed to enter into this Agreement and to guarantee the indebtedness of the Borrowers to the Lender to repay the \$5 mil Loan in accordance with the terms set out in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of Ten Dollars (\$10.00), the premises and the mutual covenants, agreements and conditions herein contained, it is hereby covenanted, agreed and declared by and among the Parties as follows:

1. Interpretation

- (1) Unless otherwise defined in the recitals to this Agreement, defined terms in this Agreement shall have the following meaning:
 - (a) “**Business Day**” means any day other than a Saturday, a Sunday, a statutory holiday in the Province of Ontario, or any day on which banks are not open for business in the City of Toronto, Ontario;
 - (b) “**Party**” and “**Parties**” meanings individually and collectively, the Borrowers, Guarantors and Lender;
 - (c) “**Project**” has the meaning ascribed to such term in the recitals to this Agreement;
 - (d) “**Properties**” means the properties located at 8, 10, 12, 14, 16 & 18 Bostwick Crescent,

and 2, 6, & 8 Bond Street, in the town of Richmond Hill, Ontario and as legally described in Schedule “A” attached hereto; and

- (e) All other capitalized terms not defined herein shall have the meaning ascribed to them in the \$5 mil Credit Agreement.

(2) In this Agreement,

- (a) a word importing the masculine, feminine or neuter gender only include members of the other genders;
- (b) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
- (c) a reference to any Act, by-law, rule or regulation or to a provision thereof shall be deemed to include a reference to any Act, by-law, rule or regulation or provision enacted in substitution therefore or amendment thereof; and
- (d) the headings to each section are inserted for convenience of reference only and do not form part of the Agreement;
- (e) any reference to time shall be deemed to be a reference to Toronto time; and
- (f) all accounting terms have the same meaning as are applied to those terms by the Canadian Institute of Chartered Accountants.

2. **Interest Rate:** The Lender agrees to reduce the annual interest rate payable in connection with and charged against the \$5 mil Loan to fifteen percent (15%) per annum (the “**Revised Interest Rate**”) effective as of October 30, 2021. Interest at the Revised Interest Rate on the \$5 mil Loan shall be calculated monthly in arrears, both before and after default until fully repaid.
3. **Outstanding Principal and Interest:** As of October 25, 2021 the total amount, including, without limitation, principal and accrued interest outstanding under the \$5 mil Loan is Five Million NiTwo Thousand Nine Hundred and Sixty-Seven Dollars (\$5,002,967.00) as detailed on Schedule “B” attached (the “**Outstanding \$5 mil Balance**”);
4. **Payment of Interest:** Interest at the Revised Interest Rate shall accrue and be payable on the Remaining \$5 mil Loan on the earlier of the expiry of the Revised Extended Term or the default of the Borrowers under the terms of this Agreement.
5. **Discharge of Registered \$2 mil Loan Charge and Registration of New \$2 mil Loan Charge:** The Borrowers have requested, and the Lender has agreed, concurrently with the execution of this Agreement to execute a discharge of the charge registered in favour of the Lender against title to some of the Properties in the amount of \$2,000,000, registered on March 16, 2021 as Instrument No. PR3799135 (the “**\$2 mil Loan Charge**”). The parties hereto acknowledge and agree that concurrently with the discharge of the \$2 mil Loan Charge, a new charge shall be registered against title to the Properties in favour of the Lender in the amount of \$5,000,000, and said charge shall be substantially similar to the American \$5 mil Charges that were discharged pursuant to the Discharges of the American \$5 mil Charges.

6. **Continuing Security:** The Borrowers and Original Guarantors confirm and agree that, save and except for any security referred to in paragraph 5 of this Agreement, all security documentation delivered by the Borrowers and the Original Guarantors to the Lender, both individually and collectively, in favour of the Lender continue to stand as security for the obligations of the Borrowers and Original Guarantors pursuant to the Amended \$5 mil Credit Agreement until the entire amount of the Outstanding \$5 mil Loan Balance is paid in full together with accrued interest and expenses to the extent that they apply.
7. **Monthly Reports:** The Borrowers agree that they will deliver to the Lender to the attention of Steven Chen steven@dragoninv.com on the fifth day of each quarter, quarterly reports on the status of the development of, and the construction upon, the Properties.
8. **Representations and Warranties:** All representations and warranties contained in the \$5 mil Credit Agreement as amended by this Agreement continue to remain accurate and true as of the date hereof.
9. **Events of Default:** Upon the occurrence of an event of default and the expiry of any curing provision under the Amended \$5 mil Credit Agreement, the existing Security Documents, or the Additional Security Documents, the Lender may exercise all rights and remedies available under aforementioned documents and agreements and at law.
10. **Cross Default:** In the event any default occurs under any other credit, loan or security agreement to which any of the Borrowers is a party, such default shall in the Lender's sole discretion constitute a default under this Agreement.
11. **Expenses:** The Borrowers shall be liable for all reasonable expenses, charges or fees incidental to the negotiation, and closing required to effect the terms of this Agreement. These expenses include, but are not necessarily limited to, legal fees and disbursements, and any and all reasonable costs and expenses expended by the Lender in connection with any enforcement of either the Lender's Security Documents or any enforcement brought by any other lender that has advanced money to the Borrowers, the Original Guarantors, Ideal JS and Ideal WC.
12. **Documents:** The Borrowers agrees and acknowledges that the documentation described in this Agreement required to finalize this transaction is not all inclusive and therefore agrees to provide, execute, etc. such other reasonable documentation as the Lender may require and/or our solicitors deem advisable to implement the terms of this Agreement.
13. **Non-Merger:** It is understood and agreed that the execution of any additional Security Documents shall in no way extinguish this Agreement or the terms and conditions hereof which shall survive and continue in full force and effect. In the case of any inconsistency or conflict with any of the provisions of this Agreement and any of the security, the Lender shall determine which prevails. Silence in either this Agreement or the security documents but addressed in the other shall not be deemed an inconsistency.
14. **Waiver:** The Lender's failure to insist upon strict performance of any obligation or covenant of this Agreement by the Borrowers or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrowers of any and all of the terms of this Agreement and the Security Documents.
15. **Successors and Assigns:** This Agreement shall, subject to the provisions herein, enure to the benefit of and be binding upon our respective successors, administrators, benefactors, heirs and permitted assigns.
16. **No Partnership, Joint Venture:** The Parties are not partners or joint venturers, and nothing in this Agreement shall be deemed or construed to as creating any such relationship. In no event shall any of the Parties be held liable or accountable for any liability or obligation incurred by any other Party, other than as set out in this Agreement or the documents contemplated herein.
17. **Amendment:** This Agreement shall not be deemed to be or construed as having been amended as a result

of any oral communication between the Parties or as a result of any practice of the Parties, but all amendments to this Agreement shall be in writing and shall be signed by the Borrowers and the Lender, provided that any such agreement may be executed in counterpart form.

18. **Partial Invalidity:** Where one or more provisions of this Agreement are found to be invalid, unenforceable or void by any court or tribunal of competent jurisdiction, the remaining terms and provisions of this Agreement shall be deemed to be severable from the part so found and shall remain in full force and effect.
19. **Law of Contract:** This Agreement shall be interpreted in accordance with the Laws of the Province of Ontario.
20. **Counterparts:** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and the same agreement. This Agreement, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.
21. **General Terms:** The remaining terms and conditions of the \$5 mil Credit Agreement shall remain in full force and effect and binding upon the parties.
22. **Time of Essence:** Time shall be of the essence in all respects in this agreement.

[Signature page follows; balance of page intentionally left blank]

SIGNED, SEALED and DELIVERED as of the 1st day of ~~October~~^{November}, 2021.

IDEAL (BC) DEVELOPMENTS INC.

Per:

H. Shannij

Name: Shajiraj Nadarajalingam

Title: President

IDEAL DEVELOPMENTS INC.

Per:

H. Shannij

Name: Shajiraj Nadarajalingam

Title: President

2490564 ONTARIO INC.

Per:

H. Shannij

Name: Shajiraj Nadarajalingam

Title: President

2490568 ONTARIO INC.

Per:

H. Shannij

Name: Shajiraj Nadarajalingam

Title: President

IDEAL (JS) DEVELOPMENTS INC.

Per:

H. Shannij

Name: Shajiraj Nadarajalingam

Title: President

IDEAL (WC) DEVELOPMENTS INC.

Per:

H. Shannij

Name: Shajiraj Nadarajalingam

Title: President

Alex Ji

Witness

H. Shannij

Shajiraj Nadarajalingam

AMERICAN CORPORATION

Per:



Name: Fanseay Wang

Title: President

**SCHEDULE “A”
LEGAL DESCRIPTIONS OF PROPERTIES**

PROPERTIES OWNED BY IDEAL (BC) DEVELOPMENTS INC.:

Municipal Addresses	PINs	Legal Descriptions
8 Bostwick Road	03196-0072(LT)	PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING AS IN R504810; TOWN OF RICHMOND HILL
10 Bostwick Road	03196-0073(LT)	PT LT 63 PL 136 KING AS IN R209240; TOWN OF RICHMOND HILL
12 Bostwick Road	03196-0074(LT)	PT LT 64 PL 136 KING AS IN R530013; TOWN OF RICHMOND HILL
14 Bostwick Road	03196-0075(LT)	PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345; RICHMOND HILL

Municipal Addresses	PINs	Legal Descriptions
6 Bond Crescent	03196-0077(LT)	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B; RICHMOND HILL

Municipal Addresses	PINs	Legal Descriptions
16 Bostwick Road	03196-0078(LT)	PT LT 66 PL 136 KING AS IN R690041; TOWN OF RICHMOND HILL
2 Bond Crescent	03196-0080(LT)	PT LT 67 PL 136 KING AS IN KI22033 EXCEPT R135070, B54438B, & R601987; TOWN OF RICHMOND HILL
8 Bond Crescent	03196-0076(LT)	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN R135070; RICHMOND HILL

Municipal Addresses	PINs	Legal Descriptions
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18 Bostwick Road	03196-0079(LT)	PT LT 67 PL 136 KING AS IN R601987; RICHMOND HILL
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SCHEDULE "B"
MORTGAGE STATEMENT

AMERICAN CORPORATION

Mortgage Statement

Oct. 25, 2021

To whom it may concern,

Re: Loan of \$4,414,383 from American Corporation to Ideal (BC) Developments Inc. for its development of 8, 10, 12, 14, 16 & 18 Bostwick Crescent, and 2, 6, & 8 Bond Street, in the town of Richmond Hill, Ontario. (\$2,000,000 of total \$4,414,383 is secured by mortgages registered in fourth position against lands municipally known as 6532 & 6544 Winston Churchill Blvd., Mississauga, Ontario, being PINs 13243-0269 and 13243-0378)

Principal balance as of Feb.28, 2021:	CAD \$4,414,383.00
Interest accrued to Oct.25, 2021:	CAD \$588,584.00
Total amount owing as of Oct.25, 2021:	CAD \$5,002,967.00

CAD \$556,702.75 accrued interest from Feb.28, 2021 to Oct. 25, 2021. (CAD \$2,452.44 per diem for 240 days)

AMERICAN CORPORATION

Per: Chen Tsung-Hsi

Name: Chen, Tsung-Hsi

Title: Director

I have authority to bind the corporation

E.O.& E.

Appendix N

AGREEMENT OF PURCHASE AND SALE

MADE BETWEEN THE UNDERSIGNED:

PURCHASER: _____ DOB _____ / _____ / 19 _____ S.I.N. _____
PURCHASER: _____ DOB _____ / _____ / 19 _____ S.I.N. _____

(singularly or collectively referred to as the "Purchaser"), hereby agree(s) with IDEAL (BC) DEVELOPMENTS INC. (the "Vendor") to purchase the Property, as defined in Schedule "D" and as shown on the proposed plan attached hereto, to be developed and/or constructed by the Vendor.

1. The Purchaser hereby agrees with the Vendor to purchase the above-noted Property on the following terms and conditions:

The Purchase Price of the Property is _____ dollars (\$ _____) 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/or credited and/or paid to the Vendor, which Purchase Price shall be payable to the Vendor as follows:

- (a) the sum of _____ Dollars (\$ _____) by Bank Draft with this Agreement payable to the Vendor, as a deposit to be credited on account of the purchase price on closing.
- (b) the following additional deposits to the Vendor by way of Bank Draft in the amounts and on the dates described below:

- (i) _____ Dollars (\$ _____) on or before Occupancy _____.
- (ii) _____ Dollars (\$ _____) on or before _____.
- (iii) _____ Dollars (\$ _____) on or before _____.

(iv) if the Closing Date (as hereinafter defined) occurs prior to the Unit Transfer Date (as hereinafter defined) then the Purchaser shall pay the Occupancy Payment (as hereinafter defined) to the Vendor on the Closing Date by a solicitor's certified trust cheque or bank draft drawn on a Canadian Chartered Bank or wire transfer using LVTS protocols, as determined by the Vendor and with such payment to be credited towards the Purchase Price on the Unit Transfer Date.

- (c) on the Unit Transfer Date, any unpaid balance of the Purchase Price as adjusted shall be paid to the Vendor, by a solicitor's certified trust cheque or bank draft drawn on a Canadian Chartered Bank or wire transfer using LVTS or electronic transfer of funds protocols, as determined by the Vendor, subject to the adjustments as set out in this Agreement. All deposits paid from time to time, including the Occupancy Payment, shall be paid to the Vendor and shall be credited to the Purchase Price on the completion of this agreement

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, (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 Schedule "A" Features & Finishes, Schedule "B" Floor Plans, Schedule "C" Site Plan, Schedule "D" (General Terms), Schedule "E" (Advisory Clauses) and Schedule "Z" Assignment, 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.

4. This Agreement, when accepted by both parties, shall constitute a binding agreement of purchase and sale subject to any statutory rights of rescission to the contrary. 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 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), displayed or allegedly given, other than as specifically set out in this Agreement in writing.

DATED this _____ day of _____, 2020
IN WITNESS WHEREOF I have hereunto set my hand and seal as of the day, month and year above written.

(Witness) _____
(Witness) _____
Purchaser _____ (seal)
Purchaser _____ (seal)

THE UNDERSIGNED accepts the above Agreement and agrees to complete the transaction in accordance with the terms thereof.

ACCEPTED this 10/10/2020 | 8:37:32 AM EDT, 2020

Vendor's Solicitors
FRIEDMAN LAW PROFESSIONAL CORPORATION
150 Ferrand Dr., Suite 800, Toronto, ON, M3C3E5
Attention: William Friedman
Tel: 416-496-3340
Fax: 416-497-3809
Email: wf@friedmans.ca

IDEAL (BC) DEVELOPMENTS INC.

DocuSigned by:
Omar Khan
Per: _____
3D654B53A28C4EB
Authorized Signing Officer

Home Address: Suite # Street City Province Postal Code

Telephone (B): (H):

Facsimile: E-Mail Address:

Purchaser's Solicitor: (Tel) ()



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

Property 2,6,8 Bond Cres & 8,10,12,14,16,18
Bostwick Cres
[Redacted]

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: 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. You can also obtain a copy of the Homeowner Information Package which is strongly recommended as essential reading for all home buyers. The website features a calculator which will assist you in confirming the various Critical Dates related to the occupancy of your home.

VENDOR Ideal (BC) Developments 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 28th day of February, 2022.

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 28th day of June, 2022.

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 26th day of October, 2022.

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 28th day of June, 2023.

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 30th day of November, 2021.

(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 30th day of March, 2022.

(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 28th day of July, 2023.

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 this 10 day of 10/10/2020 | 8:37:32 AM EDT
VENDOR: Omar Khan 3D654B53A28C4EB...
PURCHASER: [Redacted] 8DCA9B75EFC946F...



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	Ideal (BC) Developments Inc.		
	Full Name(s)		
	48282	65 Allstate Pkwy Suite 101	
	Tarion Registration Number		
	416-754-3500	Address	Markham
	Phone	City	ON
		Province	L3R 9X1
	416-754-3537	Postal Code	
	Fax	info@idealdevelopments.com	
		Email*	

PURCHASER			
	Full Name(s)		
	Address		
		City	Province
			Postal Code
	6		
	Phone		
	Fax	Email*	

PROPERTY DESCRIPTION	2, 6, 8 Bond Cres & 8, 10,12,14,16,18 Bostwick Cres		
	Municipal Address		
	Richmond Hill	ON	L4E 3K2
	City	Province	Postal Code
	Short Legal Description		
	Number of Homes in the Freehold Project <u>53</u> (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.
If yes, the plan of subdivision is registered.
If the plan of subdivision is not registered, approval of the draft plan of subdivision has been given.

☒ Yes ☐ No
☒ Yes ☐ No
☒ 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:

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 25 day of April, 2021.

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. O Yes O 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 See Appendix "1", 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

- (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 6(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.

APPENDIX “1”
TO TARION ADDENDUM
EARLY TERMINATION CONDITIONS

The Early Termination Conditions referred to in paragraph 6 of the Tarion Addendum are as follows:

SECTION A:

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

1.

This Agreement is conditional upon the Vendor obtaining receipt of Approval from the Approval Authority for a change to the official plan and zoning by-law to permit the development and construction of the project and the Potl, all in a manner that is acceptable to the Vendor, in its sole and absolute discretion. The Approval Authority is the Town of Richmond Hill

The date by which this Condition is to be satisfied is April 19, 2021
2.

This Agreement is conditional upon the Vendor obtaining receipt of Approval from the Approval Authority to its proposed site plan to permit the development and construction of the project and the Potl, all in a manner that is acceptable to the Vendor, in its sole and absolute discretion.

The Approval Authority is the Town of Richmond Hill

The date by which this Condition is to be satisfied is April 19, 2021

SECTION B:

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

1.

Description of Early Termination Condition:

This Agreement is conditional upon the Vendor being satisfied, in its sole and absolute discretion that the Purchaser has the financial resources to complete the transaction contemplated in this Agreement. The Vendor shall have sixty (60) days following the later of: (A) the date of acceptance of this Agreement by the Vendor; and (B) the satisfaction or waiver by the Purchaser of the Purchaser's financing condition permitted under paragraph 6(d) of the Addendum, if applicable, to satisfy itself with respect to the Purchaser having the financial resources to complete the transaction contemplated in this Agreement. The Purchaser covenants and agrees to provide all requisite information and materials including proof respecting income and source of funds or evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor, confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Closing Date, as the Vendor may require to determine whether or not the Purchaser has the financial resources to complete the transaction contemplated in this Agreement.



SCHEDULE B

Adjustments to Purchase Price or Balance Due on Closing

PART I

Stipulated Amounts/Adjustments

SCHEDULE "D" - SCHEDULE OF GENERAL TERMS

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

Paragraph 2:

1. Para. 2(c) A security deposit in the amount of \$3,500.00 for the grading of the Property and as security to ensure the Purchaser's compliance with any municipal or development agreement affecting the title to the Property;
2. Para. 2(e) \$350.00 + HST for a foundation survey, \$500.00 + HST for the installation of any street or boulevard planting to be planted on the Property or Lands and \$150.00 + HST for architectural review, survey costs or engineering reviews or approvals;
3. Para 2(j) TWO HUNDRED AND FIFTY (\$250.00) DOLLARS for any cheque not accepted/dishonoured by the Purchaser's and/or Vendor's Solicitors' and/or the Vendor's bank for any reason;
4. Para. 2(n) THREE HUNDRED (\$300.00) DOLLARS, per charge, towards the cost of preparing and registering a (partial) discharge of any blanket mortgages;
5. Para. 2(o) TWO HUNDRED AND FIFTY (\$150.00) DOLLARS for electronic communication and registration costs;
6. Para 24(a) The Purchaser also acknowledges that the Vendor and the Vendor's Solicitor may arrange for the project to be enrolled with a title insurer or insurers acceptable to the Vendor (the "Title Insurer") in order to centralize underwriting for the project and avoid unnecessary duplication of costs for purchasers and their solicitors. In the event that the Purchaser elects to obtain title insurance through the Title Insurer, the Purchaser and the Purchaser's solicitor shall not be required to perform some or all of the following due diligence thereby saving the Purchaser significant transaction costs: title search and review of title search; preparation of requisition letter; prepare, send out and review responses to clearance letters; execution searches against the Vendor; and corporate status searches. As a result of the foregoing and regardless of whether the Purchaser obtains title insurance through the Title Insurer, the Purchaser agrees to pay to the Vendor or its solicitors on the Closing Date an administration fee of three hundred (\$300.00) dollars plus applicable taxes for enrolling the project with the Title Insurer and for preparing and delivering to the Purchaser's solicitor and Title Insurer a title advice statement.



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.

SCHEDULE "D" - SCHEDULE OF GENERAL TERMS.

1.

Para. 2(a) Realty taxes and local improvement charges attributable to the Property, including pre-paid or secured property taxes of any kind, which shall be apportioned and adjusted on the Unit Transfer Date, with the Unit Transfer Date to be apportioned and the responsibility of the Purchaser. Realty taxes may be adjusted, at the Vendor's discretion, either for the land component only, or as if the Property had been fully completed, separately assessed (including any omit/supplementary assessment with respect thereto), and fully paid by the Vendor for the entire year in which the Unit Transfer Date occurs and the year following, notwithstanding that same may not have been assessed, levied and/or paid (in whole or in part) by the Unit Transfer Date, on the express understanding that if, in fact, any assessed realty taxes attributable to the Property have not been paid in accordance with the manner that same have been adjusted for in the statement of adjustments, then the Vendor shall provide the Purchaser on the Unit Transfer Date with its written undertaking to pay same, in accordance with the statement of adjustments, forthwith upon receipt of the omit/supplemental tax invoice for the Residential Dwelling by the Vendor and/or the Purchaser after the Unit Transfer Date, and the Purchaser shall accept said undertaking and complete the transaction in accordance therewith. The aforementioned realty tax adjustment shall be subject to re-adjustment as and when the actual final assessment for the Property is available;
2.

Para. 2(b) The Purchaser shall reimburse the Vendor on the Closing Date or Unit Transfer Date for the cost of the Tarion enrolment fee for the Dwelling(or any portion thereof if permitted by the Act and/or its regulations), including applicable taxes, for the Dwelling and Property, which enrolment fee is subject to increase depending on the Extras ordered by the Purchaser;
3.

Para. 2(d) any new taxes (including any transitional taxes) or additional taxes or any increase in any existing taxes imposed on the Property or this transaction by the federal, provincial, or municipal government, as well as the levy and its applicable HST imposed on the Vendor or its solicitor by the Law Society of Upper Canada;
4.

Para. 2(f) any amounts paid by the Vendor to a utility, municipality, service provider or supplier, including without limitation the costs of electricity, gas and water service connection and/or installation costs and fees with respect to, and/or energization charges, and the costs of any transformer installation, if any, for the Property as well as the costs and fees with respect to water, gas and/or electricity meters and/or check or consumption meter connection and/or installations if any, with respect to the Property, as well as well as any hot water tank rental charge or security charge (hereinafter collectively referred to as the "Charges"). A letter from the Vendor confirming the said Charges shall be final and binding on the Purchaser;
5.

Para. 2(g) the amount of any development charge(s) or levies and/or education development charge(s) or levies and/or any sewer impost charges and/or any fees, levies, as well as the entire amount of all other levies, charges, obligations or assessments assessed against or attributable to the Property and/or Subdivision or any portion thereof pursuant to *The Development Charges Act 1997*, S.O. 1997, as amended from time to time, the *Education Act S.O. 1997*, as amended from time to time, the *Planning Act, R.S.O., 1990* as amended from time to time, the *Municipal Act, 2001*, S.O. 2001, as amended from time to time, and/or pursuant to any other relevant legislation, regulation, policy or authority (collectively referred to as the "Levies" or individually as a "Levy") as at May 18, 2019. The term Levies or Levy shall not include any "Transportation Levy" or "Parkland Levy" (all as hereinafter defined). The amount of the foregoing adjustment shall be determined by a certificate signed on the part of the Vendor which the Purchaser agrees to accept. In the event that any Levies are levied against the Lands or any portion thereof, the amount to be reimbursed by the Purchaser in respect of this transaction shall be the amount of the Levy attributable to the Property or if the Levies or Levy are invoiced against the Lands as a whole, the Purchaser shall pay his or her proportionate share of the Levies or Levy charges as determined reasonably by the Vendor. Notwithstanding anything to the contrary the total amount to be paid under this subsection 2(g) shall be capped at \$10,000.00 plus HST;
6.

Para. 2(h) the amount of any increase after May 18, 2019 in any Levy or Levies (as defined in 2(g) herein). The amount of the foregoing adjustment shall be determined by a certificate signed on the part of the Vendor which the Purchaser agrees to accept. The Purchaser acknowledges and agrees that should any of the Levies be issued on a bulk basis, the Vendor shall have the right in its sole discretion, to apportion the Levies to the Purchaser on a proportionate basis, based on either the Purchaser's percentage interest in the common elements as set out in Schedule "D" to the Declaration, or by dividing the total amount of Levies by the number of residential dwelling units in the Condominium and by charging the Purchaser in the statement of adjustments with that portion of the Levies;



7. Para. 2(i) the Purchaser shall reimburse the Vendor for the costs of any public art, planting, hard and soft landscaping, landscape furniture or other aesthetic or architectural treatment on the Property or in the Subdivision or public lands adjacent or proximate thereto (the “**Exterior Aesthetics**”) required by Governmental Authorities with respect to the development of the Lands. The amount of the foregoing adjustment shall be determined by a certificate signed on the part of the Vendor which the Purchaser agrees to accept. The Purchaser acknowledges and agrees that should the costs associated with the Exterior Aesthetics be issued on a bulk basis, the Vendor shall have the right in its sole discretion, to apportion the Exterior Aesthetics to the Purchaser on a proportionate basis as determined by the reasonably by the Vendor
8. Para. 2(j) the Purchaser shall reimburse the Vendor for the entire amount of all other levies, charges, obligations or assessments assessed against or attributable to the Units or assessed against the Property or any portion thereof pursuant or with respect to, or in connection with, any GO Transit, Metrolinx, York Region Transit or other transportation levies, charges, assessments or contributions, even if such costs are included in any Levy (the “**Transportation Levy**”). The Purchaser acknowledges and agrees that should the costs associated with the Transportation Levy be issued on a bulk basis, the Vendor shall have the right in its sole discretion, to apportion the Transportation Levy to the Purchaser on a proportionate basis, based on either the Purchaser’s percentage interest in the common elements as set out in Schedule “D” to the Declaration, or by dividing the total amount of the costs associated with the Transportation Levy by the number of residential dwelling units in the Condominium and by charging the Purchaser in the statement of adjustments with that portion of the costs associated with the Transportation Levy
9. Para. 2(k) the Purchaser shall reimburse the Vendor for the entire amount of all levies, charges, obligations, costs or assessments assessed against, payable or attributable to the Units or against the Property or any portion thereof pursuant or with respect to, or in connection with any parkland dedication or any cash in lieu payment or other parkland levies or similar levies, payments, charges, assessments or contributions, pursuant to the *Planning Act, R.S.O., 1990* as amended from time to time and/or pursuant to any other relevant legislation, regulation, policy, or authority, and such costs shall be payable even if such costs are included in any Levy (the “**Parkland Levy**”). The Purchaser acknowledges and agrees that should the costs associated with the Parkland Levy be issued on a bulk basis, the Vendor shall have the right in its sole discretion, to apportion the Parkland Levy to the Purchaser on a proportionate basis, based on either the Purchaser’s percentage interest in the common elements as set out in Schedule “D” to the Declaration, or by dividing the total amount of the costs associated with the Parkland Levy by the number of residential dwelling units in the Condominium and by charging the Purchaser in the statement of adjustments with that portion of the costs associated with the Parkland Levy
10. Para. 2(l) the Occupancy Fee(s) and the common expenses for the month in which the Unit Transfer Date occurs;
11. Para. 2(p) all legal fees, disbursements and taxes charged by the Vendor’s solicitor for amendments and/or changes to and/or assignments of this Agreement, amendments thereto and/or any closing documents or facilitating any purchaser originated extension of the Closing Date and/or Unit Transfer Date and/or amendment to the Purchase Agreement and/or as any of the foregoing may be occasioned by any act, omission or request of the Purchaser;
12. Para. 2(q) the charges, fees, costs, etc., imposed by the Municipality for the issuance of any permit required authorizing and/or approving the occupancy of the Property. In addition, the Purchaser shall reimburse the Vendor for all costs, fees and expenses imposed by Canada Post (if any) in connection with establishing postal addresses for the Subdivision and/or Property and/or installing any postal facilities serving the Subdivision and/or Property;
13. Para. 2(r) the costs of Extras (if not pre-paid), costs incurred by the Vendor in permitting and/or facilitating any third party installations of finishes not supplied by the Vendor, the costs of re-decorating, repairing and/or renovating the Property where the Purchaser defaults under this Agreement, the Vendor’s administration fees and costs and legal fees and costs incurred with respect to permitting the assignment, variations and/or amendment to this Agreement as requested by the Purchaser and all costs incurred by the Vendor in rectifying and/or mitigating any default by the Purchaser under this Agreement and/or secured by any vendor’s lien; all legal fees, disbursements and taxes charged by the Vendor’s solicitor for amendments and/or changes to this Agreement, amendments thereto and/or any closing documents, occasioned by any act, omission or request of the Purchaser;
14. Para. 2(s) All taxes applicable to any adjustments and/or reimbursements.
15. Paras. 4 to 9 inclusive. In the event that the Purchaser does not qualify for all or part of the HST Rebate or if the Purchaser is subsequently disqualified for any portion of the HST Rebate or if the Purchaser orders Extras that reduce the HST Rebate or if the HST Rebate is not assignable then the Purchaser shall reimburse the Vendor for any and all portions of the HST Rebate that the Vendor does not receive or receive credit for or which CRA advised will not be accepted or given on account of this transaction.





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.

ACKNOWLEDGEMENT

TO: IDEAL (BC) DEVELOPMENTS INC. (the “Vendor”)

RE: PURCHASE OF DWELLING UNIT (POTL) 3, TOGETHER WITH AN APPURTENANT COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. _____.

The undersigned being the Purchaser(s) of the above Potl/Dwelling hereby acknowledge having received the following on the date noted below:


- 1. Disclosure Statement Table of Contents.
- 2. Disclosure Statement.
- 3. The proposed Declaration.
- 4. The proposed By-law No. 1 (being a general organizational by-law).
- 5. The proposed By-law No. 2 (being a by-law with respect to mediation and arbitration provisions).
- 6. The proposed By-law No. 3 (being a by-law with respect to the Shared Facilities Agreement attached to the by-law).
- 7. The proposed Management Agreement.
- 8. The proposed Rules.
- 9. Budget Statement for the one (1) year period immediately following the registration of the proposed Declaration and Description including a schedule of the monthly unit common expenses.
- 10. Proposed plans.

The Purchaser agrees to accept title subject to the condominium documents notwithstanding that they may have been amended or varied from the proposed condominium documents. The Purchaser further acknowledges that the registered condominium documents and final budget statement for the one year period immediately following registration of the Condominium may vary from the condominium documents and budget statement given to the Purchaser and the Purchaser acknowledges and agrees that if there is any material amendment to any of them, the Purchaser's only remedies shall be those provided by the Act, notwithstanding any rule of law or equity to the contrary.

DATED at _____ this _____ day of 10/9/2020 | 3:23:42 PM EDT, 2020.

(Witness)

Purchasers:

DocuSigned by:


48DF7B16874F49B...
(Signed)

(Witness)

(Printed Name)
DocuSigned by:


8DCA9B75EFC946F...
(Signed)

(Printed Name)

SCHEDULE "A"

Features & Finishes

EXTERIOR FEATURES

Architecturally controlled exterior colour schemes.

Architecturally designed and controlled front elevations with stone, veneer base accented with combinations of stucco or premium brick (including sides and rear, as per elevation).

Heritage-style panelled sectional roll-up garage doors with window lites, as per elevation. Automatic garage doors equipped with high-quality, hardware and springs for smooth reliable operation.

Decorative aluminum railing on second floor balcony (as per elevation).

Pre-finished maintenance-free aluminum or vinyl soffits, fascias, eavestroughs and downspouts.

8' Main single or double entry door(s) thermally insulated (as per plan).

Pewter door hardware including grip-set and deadbolt lock, and exterior coach lamps (as per plan).

Metal insulated interior garage access door (if grade permits).

Upgraded colour coordinated, Energy Star® rated, Low-E Argon filled vinyl casement windows throughout.

Two (2) exterior hose bibbs; one in garage and one located at front of home (location determined by Vendor).

Asphalt base and topcoat driveway. (as per plan)

Rear and side entries to receive pre-cast pavers (where applicable).

Custom address plate installed on front elevation (location determined by Vendor).

Front and rear of lot to be graded and sodded. (as per plan)

CONSTRUCTION FEATURES

Acoustically controlled party walls between units.

Tongue and groove subfloors glued, and screwed down to floor joist.

Spray foam insulation in garage ceiling below liveable areas.

Poured concrete garage floor.

Garage to be fully drywalled, taped and prime painted white colour-including ceiling, excluding exposed poured/block concrete.

Structurally sound exterior wall construction.

Concrete foundation wall.

Exterior walls are insulated to R22, basement walls to R22, attics to R50. All insulated areas are to be covered by poly vapour barrier.

Tyvek (or equivalent) wrapped exterior for improved air/vapour barrier.

All heating and cooling ductwork located in basement will be tapped at connection locations.

Weather-stripping on all exterior doors and windows.

Continuous vapour barrier and draft-proof electrical boxes on all exterior walls for increased air tightness and energy conservation.

Poured concrete basement walls, wrapped with quality air-gap, water-proofing membrane and weeping tiles.

All ductwork professional cleaned prior to closing.

INTERIOR FEATURES

9' main, second and third floor ceilings (except in sunken or raised areas, stairways and where there are raised, dropped or cathedral ceilings, as per plan).

8' basement ceilings, as per plan.

Smooth ceilings throughout.

Dropped ceilings and bulkheads over kitchen cabinets and finished areas due to mechanical requirements (where applicable).

Elegant stained oak staircases (veneer stringer and risers) from the main floor to upper and terrace floors (as per plan, and Vendor's standard specifications).

Elegant stained oak 2 5/8" grooved handrail with 3" post, 4" Oak nosing and choice of 1 3/4" oak pickets (as per Vendor's standard specifications).

Choice of two interior wall paint colours. Trim and doors to be painted white (as per Vendor's standard specifications).

Wire shelving installed in closets (as per plan).

All ductwork professional cleaned prior to closing.

WINDOWS, DOORS AND MILLWORK

Interior two-panel passage swinging doors, except where indicated as sliding doors. Not applicable to cold storage or exterior areas.

Satin nickel finish levers and hinges to all interior passage and closet doors throughout all finished areas (as per plan).

5" baseboards, painted white throughout, with doorstop located at all doors

3 1/2" casing with integrated backband on all swing doors, main floor archways, and windows throughout in all finished areas (where applicable).

Doors, windows and full archways to be trimmed (as per plan).

GOURMET KITCHEN FEATURES

Custom-designed kitchen cabinets with colour-coordinated kickplates (choice of styles to choose from Vendor's standard specifications).

Extended height kitchen uppers

Extended depth upper cabinet above fridge (as per plan).

Stainless steel fridge, stove, dishwasher and hood fan (as per Vendor's standard specifications).

Luxurious granite kitchen countertop with double stainless steel undermount sink with pull out spray (Vendor's standard samples).

Decorative backsplash (as per Vendor's standard specifications).

Kitchen island with base cabinets plus extended flush breakfast bar (as per plan).

Convenient split electrical outlets for two small appliances.

Heavy-duty receptical for stove and refrigerator.

LUXURIOUS BATHROOM FINISHES

Quality bathroom cabinetry in a variety of finishes with colour co-ordinated kickplate (as per Vendor's standard samples).

Granite countertop with undermount sink(s) and single-lever faucet(s) (as per plan)

Bathrooms include 5' acrylic tub or shower enclosure with full height ceramic wall tile (as per plan and Vendor's standard specifications).

Separate frameless glass shower stall (as per plan) to include marble surround and light.

Shower enclosure installed with moisture resistant drywall.

Water-saving showerhead on all showers with pressure-balance valves & low-flow water saving toilets.

Classic white plumbing fixtures in bathroom(s).

Bathroom accessories in all bathrooms to include toilet paper holder and towel holder.

Mirrors in all bathrooms.

Light fixture installed above mirror (as per Vendor's standard specifications).

Energy Star® exhaust fans in all bathrooms.

Privacy lock on all bathroom and powder room doors.

LAUNDRY ROOM ACCENTS

Full-sized, front-load white washer and dryer (as per plan).

Hot and cold laundry taps for washer with heavy-duty wiring for dryer.

Wiring and outside venting for dryer (location determined by Vendor).

Laundry room floors may be sunken to accommodate entry door(s) in laundry (if required or if grade permits).

White melamine upper laundry cabinets (as per plan).



ROOF TOP TERRACE

Exterior hose bib and gas BBQ hookup line(As per plan).
Exterior electrical outlets (As per plan).
Selected pressure-treated decking throughout.(As per plan)
Contemporary decorative exterior lights.(As per Vendor's standard specifications)
Privacy Screen (As per plan).

FLOORING

Pre-finished stained 4 1/4" engineered oak hardwood flooring throughout lower floor, main floor and upper floor hallways excluding all tiled areas,as per plan and Vendor's standard specifications.
Engineered hardwood flooring in all bedrooms (as per plan and Vendor's standard specifications).
3/4" plywood sub-floor tongue and groove throughout main and second floors.
Metal edge is installed where engineered hardwood abuts tiled surfaces.
12" x 24" ceramic or porcelain tile in foyer, kitchen, laundry and bathrooms/powder rooms (as per plan and Vendor's standard specifications).

All upper floor laundry areas to include a floor drain (as per plan).

ELECTRICAL/HEATING & COOLING

200 AMP electrical services with circuit breaker panel and copper wiring.
All wiring in accordance with Ontario Building Code (OBC) and Electrical Safety Authority (ESA).
Garage and exterior electrical outlets located as follows: 2 in garage walls (one dedicated for central vacuum), 1 in garage ceiling (one for each garage door opener), 1 waterproof outlet at front and rear of house (as per plan).
Decora® switches and plugs throughout.
Ten (10) pot lights throughout second floor.
Hard-wired built-in smoke detectors and carbon monoxide detectors on all floors and in every bedroom (location may vary).
Programmable thermostat centrally located (location determined by Vendor).
Gas-fired water heater (purchaser rental)
Energy Star® rated HVAC system.
Humidifier connected to furnace.
Central Air conditioning system.
Rough-in central vacuuum outlets throughout, complete with termination in garage.
Electric doorbell at front entry.
Heavy-duty wiring and outlet for stove and washer and dryer.
Shut-off valves in kitchen and bathrooms.
Ground fault interrupter protection in all bathrooms and powder room.

SUSTAINABLE FEATURES

Main entry door(s) with thermal insulation.
Caulking and weather-stripping on insulated fiberglass and metal entry doors.
Upgraded Energy Star® rated, Low-E Argon filled vinyl casement windows throughout.
Toilets in your home have a low flow flush, reducing your water consumption.
Energy Star® exhaust fans in all bathrooms.
Programmable thermostat
Energy Star® rated HVAC system with gas-fired water heater (purchaser rental).
Low-emitting Berber carpets are installed in your home, which reduce the volume of volatile organic compounds (VOCs) in the air, allowing your family to breathe easier.

Homes are constructed with a continuous vapour barrier and draft-proof electrical boxes on all exterior walls for increased air tightness and energy conservation.
Exterior walls are insulated to R22, basement walls to R22, attics to R50. All insulated areas are to be covered by poly vapour barriers.
Tyvek/Typar (or equivalent) wrapped exterior for improved air/vapour barrier.
High performance basement includes a TYVEK-type air barrier installed on basement walls for improved humidity control (excluding cold cellar) and R24 basement wall insulation, height as per O.B.C.
All heating and cooling ductwork located in basement will be taped at connection joints.

SECURITY FEATURES FOR YOUR PEACE OF MIND

Hinges and striker plates reinforced with long screws.
Front and rear doors on ground floor to receive door contact.

CUSTOMER FRIENDLY UPGRADE PROGRAM

Purchasers have the opportunity to make upgraded interior selections at their Ideal Developments interior design appointment.

IDEAL DEVELOPMENTS HOME WARRANTY PROGRAM

Ideal Developments is committed to providing excellent customer service under the guidelines of the TARION WARRANTY CORPORATION, with the following coverage;

- i. The home is free from defects in workmanship and materials for one (1) year.
- ii. The home is free of defects in workmanship and materials on electrical, plumbing, heating delivery and distribution systems, exterior cladding, caulking, windows and doors, and the building envelope and basement remains free from water penetration for two (2) years.
- iii. The home is warranted against all major structural defects for seven (7) years.

CONDITIONS

All plans, elevations and specifications are subject to modification from time to time by the vendor according to the Ontario Building Code, National Building Code and Architect.
The Vendor will not allow the purchaser to do any work and/or supply any material to finish the dwelling before the "Home Closing Date"
Purchaser agrees to pay TARION enrollment fee based on purchaser price herein.
Purchasers are notified that side door (where applicable) may be lowered or eliminated to accommodate side yard drainage as per grading or municipality requirements.
House types subject to final approval by the municipality or developer's architectural committee and final siting and approval by the Vendor's architect.
The purchaser shall indemnify and save the Vendor, its' servants and agents, harmless from all actions, claims and demands for upon or by reason of any relatives, workmen, and agents, who have entered on the real property or any subdivision or which the rear property forms a part of, whether with, or without authorization, express or implied, by the Vendor.
Variations from Vendor's samples may occur in finishing materials, kitchen and vanity cabinets, floor and wall finishes due to normal production process.

Purchaser's choice of interior colours and materials to be chosen from the Vendor's standard specifications if not yet ordered or installed provided that the colours and materials are chosen by the purchaser within 10 days of notification by the vendor. Otherwise, the vendor reserves the right to choose the colour and/or materials.

The Vendor shall be entitled to reverse the plan of the house being constructed.

The Vendor is not responsible for shade difference occurring from different dye lots on all materials such as ceramic tile or broadloom, roof shingles, hardwood flooring, wood stairs, railing, kitchen cabinets, countertops or exterior materials. Colours and materials will be as close as possible to Vendor's samples but not necessarily identical. Purchasers may be required to reselect colours and/or materials from the Vendor's samples as a result of unavailability or discontinuation.

Location and size of windows and doors may vary due to grading conditions. All dimensions are approximate. Furnace and hot water tank may vary.
Prices and specifications are subject to change without notice. Vendor has the right to substitute materials of equal or better value. A wide variety of upgrades and options are available. E.& O.E., Jan 2020.



Schedule B

MASERATI

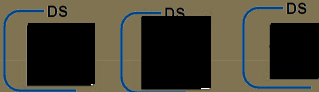
BLOCKS 3 - 11

2652 sq.ft.

3 BEDROOM

INCL. 409 sq.ft. FIN BSMT
PLUS 376 sq.ft. TERRACE

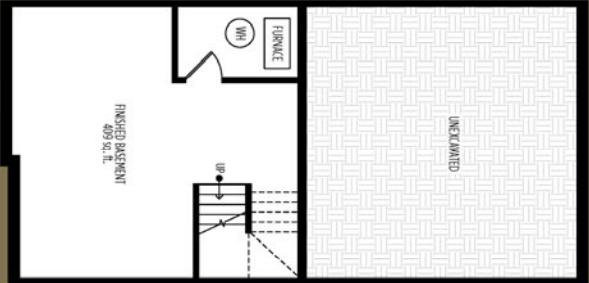
Opt. 4th Bedroom Included
In Purchase Price



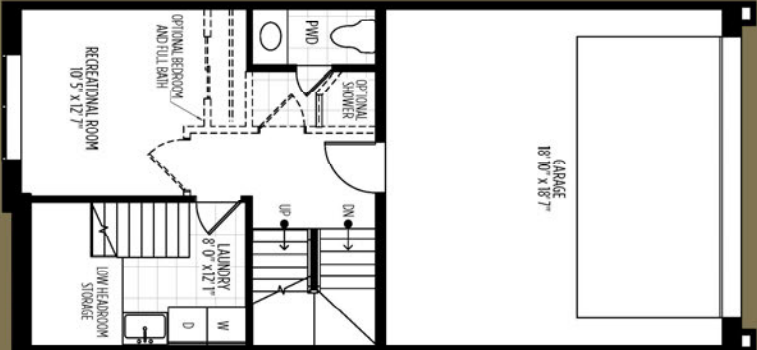
BLOCKS 3 - 11

LUXURY FREEHOLD TOWNS

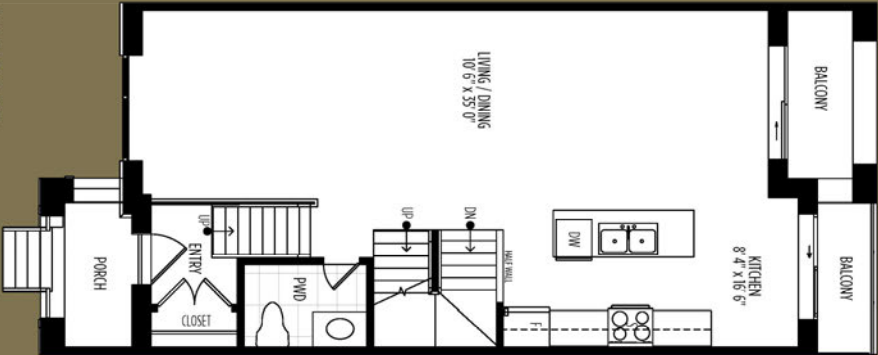
BASEMENT FLOOR



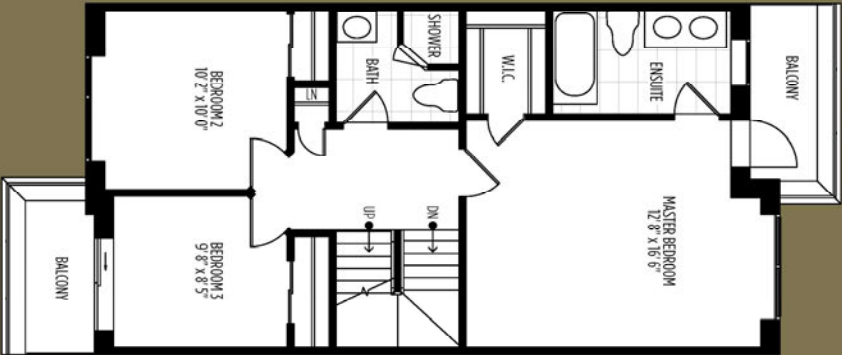
GROUND FLOOR



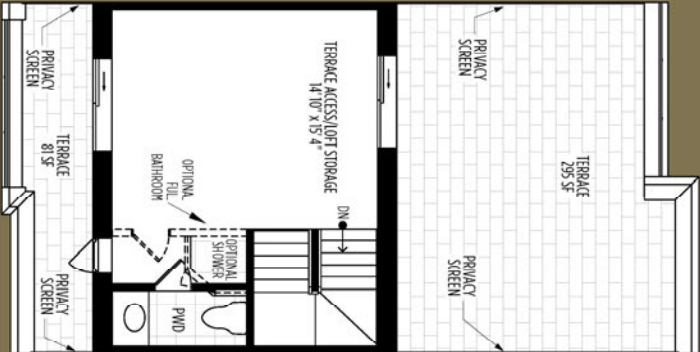
MAIN FLOOR



THIRD FLOOR



TERRACE FOURTH FLOOR



Schedule C



Illustration is artist's concept only. E&O.E.

IDEAL (BC) DEVELOPMENTS INC.

SCHEDULE "D"
GENERAL TERMS AND PROVISIONS

DEFINITIONS

1. 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", "Closing Date", "Date of Closing", "closing", "closing date" or "date of closing"** shall have the meaning given to it on Page 1 of this agreement of purchase and sale;
 - (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 1 of this Agreement, to be credited towards the Purchase Price on the completion of the transaction that is the subject of this Agreement;
 - (h) **"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;
 - (i) **"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 Lands and/or having jurisdiction over the Lands;
 - (j) **"Lands" or "Real Property"** shall mean those lands and premises comprised of: PT LT 67 PL 136 KING AS IN K122033 EXCEPT R135070, B54438B, & R601987; PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B ; RICHMOND HILL; PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN R135070 ; RICHMOND HILL; PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING AS IN R504810 ;PT LT 63 PL 136 KING AS IN R209240; PT LT 64 PL 136 KING AS IN R530013; PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345; RICHMOND HILL; PT LT 66 PL 136 KING AS IN R690041; PT LT 67 PL 136 KING AS IN R601987 ; RICHMOND HILL.
 - (k) **"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;
 - (l) **"Occupancy Fee" or "Occupancy Fees"** shall mean the sum or sums of money payable as set out in Schedule C of the Addendum;
 - (m) **"Occupancy Licence"** shall mean the licence governing the occupancy of the Property by the Purchaser prior to the Unit Transfer Date as set out in Schedule "C" to the Addendum together with any supplementary terms as set out herein'
 - (n) **"Occupancy Payment"** shall mean the additional deposit to be paid by the Purchaser on the Closing Date if the Closing Date occurs before the Unit Transfer Date, which shall be an amount equal to five 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;
 - (o) **"ONHWPA"** shall mean the Ontario New Home Warranties Plan Act, R.S.O., 1990 as amended and all its regulations and bulletins;
 - (p) **"POTL"** shall mean the freehold parcel-of-tied land as described on Page 1 of this Agreement. The Purchaser acknowledges and agrees that a reference plan describing the POTL shall be registered prior to the Unit Transfer 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 Unit Transfer 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;

- (q) **"Property"** shall mean the Dwelling and POTL collectively;
- (r) **"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;
- (s) **"Purchaser"** means the purchaser(s) as defined in paragraph 1 of page 1 of this Agreement to which this schedule is attached;
- (t) **"Purchase Price"** means the purchase price of the Property as defined on page 1 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;
- (u) **"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;
- (v) **"Residential Dwelling"** or **"Dwelling"** shall mean the home to be constructed upon the POTL by the Vendor, in accordance with this agreement;
- (w) **"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;
- (x) **"service provider"** or **"Service Provider"** shall mean any party providing any service or utility to the Property and/or Lands;
- (y) **"Tarion"** or **"Warranty Corporation"** shall mean Tarion Warranty Corporation;
- (z) **"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;
- (aa) **"Unit Transfer Date"** shall mean the date that the Vendor transfers title to the POTL to the Purchaser if it is unable to convey title to the Property on the date that it is able to provide occupancy of the Property in accordance with the terms of the Addendum. Provided that in the event that the Vendor is not able to transfer and convey title to the Purchaser on the Closing Date then the Vendor shall be entitled to set a date after the registration of the Creating Documents where it shall transfer title to the POTL to the Purchaser in accordance with the Addendum;
- (bb) **"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

- 2. The Purchase Price shall include all chattels as specifically identified as being included in the Purchase Price in any schedule attached to and forming part of this Agreement. In the event that the Vendor receives any rebate, credit, recovery, adjustment, discount or similar benefit from any party or parties in respect of any item that the Vendor is entitled to charge the Purchaser for in accordance with this Agreement, then the Vendor shall be entitled to retain any such rebate, credit, recovery, adjustment, discount or similar benefit for its own use and as its own property absolutely and shall not be obliged to credit or adjust with the Purchaser for any such rebate, credit, recovery, adjustment, discount or similar benefit. All adjustable items (as opposed to reimbursable items or specific charges payable by the Purchaser as hereinafter set out) shall be apportioned and allowed to the Closing Date or Unit Transfer Date as the case may be (with the Vendor to determine such date), with that day itself apportioned to the Purchaser. The Purchaser covenants and agrees to reimburse and/or adjust (as the case may be) with the Vendor on the Closing Date and/or the Unit Transfer Date (as determined by the Vendor) with respect to the following items:
 - (a) Realty taxes and local improvement charges attributable to the Property, including pre-paid or secured property taxes of any kind, which shall be apportioned and adjusted on the Unit Transfer Date, with the Unit Transfer Date to be apportioned and the responsibility of the Purchaser. Realty taxes may be adjusted, at the Vendor's discretion, either for the land component only, or as if the Property had been fully completed, separately assessed (including any omit/supplementary assessment with respect thereto), and fully paid by the Vendor for the entire year in which the Unit Transfer Date occurs and the year following, notwithstanding that same may not have been assessed, levied and/or paid (in whole or in part) by the Unit Transfer Date, on the express understanding that if, in fact, any assessed realty taxes attributable to the Property have not been paid in accordance with the manner that same have been adjusted for in the statement of adjustments, then the Vendor shall provide the Purchaser on the Unit Transfer Date with its written undertaking to pay same, in accordance with the statement of adjustments, forthwith upon receipt of the omit/supplemental tax invoice for the Residential Dwelling by the Vendor and/or the Purchaser after the Unit Transfer Date, and the Purchaser shall accept said undertaking and complete the transaction in accordance therewith. The aforementioned realty tax adjustment shall be subject to re-adjustment as and when the actual final assessment for the Property is available;

- (b) The Purchaser shall reimburse the Vendor on the Closing Date or Unit Transfer Date for the cost of the Taron enrolment fee for the Dwelling(or any portion thereof if permitted by the Act and/or its regulations), including applicable taxes, for the Dwelling and Property, which enrolment fee is subject to increase depending on the Extras ordered by the Purchaser;
- (c) In addition, on the Closing Date or the Unit Transfer Date, as selected by the Vendor, each purchaser shall pay the Vendor a security deposit in the amount of \$3,500.00 for the grading of the Property and as security to ensure the Purchaser's compliance with any municipal or development agreement affecting the title to the Property, for which the Vendor may be held liable in the event of any non-compliance by the Purchaser. The Vendor will be entitled to draw on the deposit for the payment of any and all inspection costs levied by the Municipality and/or its consultants and/or any costs or expenses incurred in effecting the said compliance by the Purchaser as hereinbefore or hereinafter set out, including any amount secured by a vendor's lien which may be set off against and paid from the deposit. The remaining security deposit shall be returned to the Purchaser within 120 days after the Municipality has released all security being held by it in respect of the Lands and Condominium. The Vendor shall be entitled to set off the said deposit to be returned against any amount that it maintains a vendor's lien for and shall be entitled to deduct from the said deposit the costs of any rectification or mitigation of any Purchaser default and/or the costs of any inspections by the Municipalities and/or its consultants;
- (d) any new taxes (including any transitional taxes) or additional taxes or any increase in any existing taxes imposed on the Property or this transaction by the federal, provincial, or municipal government, as well as the levy and its applicable HST imposed on the Vendor or its solicitor by the Law Society of Upper Canada;
- (e) the amount of \$350.00 + HST for a foundation survey to be provided to the Purchaser on or before Closing, the amount of \$500.00 +HST towards the installation of any street or boulevard planting, including trees or other landscaping to be planted on the Property or Lands, and \$150.00 + HST for architectural review, survey costs or engineering reviews or approvals;
- (f) any amounts paid by the Vendor to a utility, municipality, service provider or supplier, including without limitation the costs of electricity, gas and water service connection and/or installation costs and fees with respect to, and/or energization charges, and the costs of any transformer installation, if any, for the Property as well as the costs and fees with respect to water, gas and/or electricity meters and/or check or consumption meter connection and/or installations if any, with respect to the Property, as well as well as any hot water tank rental charge or security charge (hereinafter collectively referred to as the "Charges"). A letter from the Vendor confirming the said Charges shall be final and binding on the Purchaser;
- (g) the amount of any development charge(s) or levies and/or education development charge(s) or levies and/or any sewer impost charges and/or any fees, levies, as well as the entire amount of all other levies, charges, obligations or assessments assessed against or attributable to the Property and/or Subdivision or any portion thereof pursuant to *The Development Charges Act 1997*, S.O. 1997, as amended from time to time, the *Education Act S.O. 1997*, as amended from time to time, the *Planning Act, R.S.O., 1990* as amended from time to time, the *Municipal Act, 2001*, S.O. 2001, as amended from time to time, and/or pursuant to any other relevant legislation, regulation, policy or authority (collectively referred to as the "**Levies**" or individually as a "**Levy**") as at May 18, 2019. The term Levies or Levy shall not include any "Transportation Levy" or "Parkland Levy" (all as hereinafter defined). The amount of the foregoing adjustment shall be determined by a certificate signed on the part of the Vendor which the Purchaser agrees to accept. In the event that any Levies are levied against the Lands or any portion thereof, the amount to be reimbursed by the Purchaser in respect of this transaction shall be the amount of the Levy attributable to the Property or if the Levies or Levy are invoiced against the Lands as a whole, the Purchaser shall pay his or her proportionate share of the Levies or Levy charges as determined reasonably by the Vendor. Notwithstanding anything to the contrary the total amount to be paid under this subsection 2(g) shall be capped at \$10,000.00 plus HST;
- (h) the amount of any increase after May 18, 2019 in any Levy or Levies (as defined in 2(g) herein). The amount of the foregoing adjustment shall be determined by a certificate signed on the part of the Vendor which the Purchaser agrees to accept. The Purchaser acknowledges and agrees that should any of the Levies be issued on a bulk basis, the Vendor shall have the right in its sole discretion, to apportion the Levies to the Purchaser on a proportionate basis, based on either the Purchaser's percentage interest in the common elements as set out in Schedule "D" to the Declaration, or by dividing the total amount of Levies by the number of residential dwelling units in the Condominium and by charging the Purchaser in the statement of adjustments with that portion of the Levies;
- (i) the Purchaser shall reimburse the Vendor for the costs of any public art, planting, hard and soft landscaping, landscape furniture or other aesthetic or architectural treatment on the Property or in the Subdivision or public lands adjacent or proximate thereto (the "**Exterior Aesthetics**") required by Governmental Authorities with respect to the development of the Lands. The amount of the foregoing adjustment shall be determined by a certificate signed on the part of the Vendor which the Purchaser agrees to accept. The Purchaser acknowledges and agrees that should the costs associated with the Exterior Aesthetics be issued on a bulk basis, the Vendor shall have the right in its sole discretion, to apportion the Exterior Aesthetics to the Purchaser on a proportionate basis as determined by the reasonably by the Vendor;
- (j) the Purchaser shall reimburse the Vendor for the entire amount of all other levies, charges, obligations or assessments assessed against or attributable to the Units or assessed against the Property or any portion thereof pursuant or with respect to, or in connection with, any GO Transit, Metrolinx, York Region Transit or other transportation levies, charges, assessments or contributions, even if such costs are included in any Levy (the "**Transportation Levy**"). The Purchaser acknowledges and agrees that should the costs associated with the Transportation Levy be issued on a bulk basis, the Vendor shall have the right in its sole

discretion, to apportion the Transportation Levy to the Purchaser on a proportionate basis, based on either the Purchaser's percentage interest in the common elements as set out in Schedule "D" to the Declaration, or by dividing the total amount of the costs associated with the Transportation Levy by the number of residential dwelling units in the Condominium and by charging the Purchaser in the statement of adjustments with that portion of the costs associated with the Transportation Levy;

- (k) the Purchaser shall reimburse the Vendor for the entire amount of all levies, charges, obligations, costs or assessments assessed against, payable or attributable to the Units or against the Property or any portion thereof pursuant or with respect to, or in connection with any parkland dedication or any cash in lieu payment or other parkland levies or similar levies, payments, charges, assessments or contributions, pursuant to the *Planning Act, R.S.O., 1990* as amended from time to time and/or pursuant to any other relevant legislation, regulation, policy, or authority, and such costs shall be payable even if such costs are included in any Levy (the "**Parkland Levy**"). The Purchaser acknowledges and agrees that should the costs associated with the Parkland Levy be issued on a bulk basis, the Vendor shall have the right in its sole discretion, to apportion the Parkland Levy to the Purchaser on a proportionate basis, based on either the Purchaser's percentage interest in the common elements as set out in Schedule "D" to the Declaration, or by dividing the total amount of the costs associated with the Parkland Levy by the number of residential dwelling units in the Condominium and by charging the Purchaser in the statement of adjustments with that portion of the costs associated with the Parkland Levy;
 - (l) the Occupancy Fee(s) and the common expenses for the month in which the Unit Transfer Date occurs
 - (m) an administration fee of TWO HUNDRED AND FIFTY (\$250.00) DOLLARS shall be charged to the Purchaser for any cheque delivered to the Vendor's Solicitors or to the Vendor and not accepted/dishonoured by the Purchaser's and/or Vendor's Solicitors' and/or the Vendor's bank for any reason;
 - (n) the sum on THREE HUNDRED (\$300.00) DOLLARS, per charge, towards the cost of preparing and registering a (partial) discharge of any blanket mortgages;
 - (o) in the event the Vendor delivers or tenders closing documents required in connection with this transaction on the Closing Date or Unit Transfer Date by posting same on the world wide web and uses any inter or intra-net system and/or Teranet, then the Purchaser shall pay the Vendor on the Closing Date or Unit Transfer Date the amount of ONE HUNDRED AND FIFTY (\$150.00) DOLLARS for electronic communication and registration costs;
 - (p) all legal fees, disbursements and taxes charged by the Vendor's solicitor for amendments and/or changes to and/or assignments of this Agreement, amendments thereto and/or any closing documents or facilitating any purchaser originated extension of the Closing Date and/or Unit Transfer Date and/or amendment to the Purchase Agreement and/or as any of the foregoing may be occasioned by any act, omission or request of the Purchaser;
 - (q) the charges, fees, costs, etc., imposed by the Municipality for the issuance of any permit required authorizing and/or approving the occupancy of the Property. In addition, the Purchaser shall reimburse the Vendor for all costs, fees and expenses imposed by Canada Post (if any) in connection with establishing postal addresses for the Subdivision and/or Property and/or installing any postal facilities serving the Subdivision and/or Property
 - (r) the costs of Extras (if not pre-paid), costs incurred by the Vendor in permitting and/or facilitating any third party installations of finishes not supplied by the Vendor, the costs of re-decorating, repairing and/or renovating the Property where the Purchaser defaults under this Agreement, the Vendor's administration fees and costs and legal fees and costs incurred with respect to permitting the assignment, variations and/or amendment to this Agreement as requested by the Purchaser and all costs incurred by the Vendor in rectifying and/or mitigating any default by the Purchaser under this Agreement and/or secured by any vendor's lien; all legal fees, disbursements and taxes charged by the Vendor's solicitor for amendments and/or changes to this Agreement, amendments thereto and/or any closing documents, occasioned by any act, omission or request of the Purchaser;
 - (s) any and all taxes applicable to any adjustments and/or reimbursements.
3. All proper readjustments shall be made after Closing Date and/or the Unit Transfer 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 statement of the costs for which it is requesting re-adjustment as hereinbefore set out 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

4. (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 or Unit Transfer 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 Unit Transfer 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 or Unit Transfer Date (as determined by the Vendor) 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 Unit Transfer 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 1 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/or the Unit Transfer 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.
5. 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 Unit Transfer Date (and not as the agent or trustee for or on behalf of any other party or parties),
 - (b) upon the Closing Date and continuing up to and including the Unit Transfer 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.

6. 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 Tarion 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.
7. Notwithstanding anything to the contrary herein, if it is determined by the Vendor, in its sole, subjective and absolute discretion, 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/or Unit Transfer Date as required by the Vendor as a requirement of closing), 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 Unit Transfer 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 1 of this Agreement.
8. 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 or Unit Transfer Date (as determined by the Vendor) the amount of the Rebate or HST Credit which the Vendor does not receive or become entitled to.
9. 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

10. 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. In such event the transfer of title to the Property shall take place on the Unit Transfer Date. The Vendor, at its discretion and without obligation, shall be permitted a one-time unilateral right to extend the Closing Date for one (1) 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 and/or Unit Transfer 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 (and/or Unit Transfer Date as stipulated by the Vendor), the Purchaser agrees to deliver to the Vendor:
- (a) if the Closing occurs prior to the Unit Transfer 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 Unit Transfer Date, a series of six (6) 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 rental contract, in the Vendor's or Service Provider's form for the provision of a rental hot water tank 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 Unit Transfer 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 Closing occurs prior to the Unit Transfer 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 Unit Transfer 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 Closing occurs prior to the Unit Transfer 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.
11. 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 or Unit Transfer 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 or Unit Transfer 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.
12. After the registration of the Creating Documents, the Vendor's Solicitors shall designate a date as the Unit Transfer Date by delivery of written notice of such date to the Purchaser or his Solicitor, as set out in the Addendum. If the Unit Transfer Date falls on a day when the relevant Land Registry Office is not open for business, the Unit Transfer Date shall be the day next following when the Land Registry Office is open for business. Provided that in no event shall the Unit Transfer 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 Unit Transfer 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 Unit Transfer 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

13. In addition to the terms and provisions of Schedule “C” to the Addendum, the following terms and provisions shall apply to the use and occupancy of the Property prior to the Unit Transfer 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 Closing Date to and until the Unit Transfer 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 Closing 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 Unit Transfer 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 Closing an occupancy agreement generally incorporating the terms of the Taron Addendum Schedule “C”, the supplementary terms hereof, any terms of any advisory/warning clauses forming part of this agreement and any other terms as determined by the Vendor in its discretion provided that such provisions do not conflict with the terms of Schedule “C” of the Taron Addendum.

SUBDIVISION DRAFT PLAN APPROVAL

14. The 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 Vendor and Governmental Authorities and/or the Municipality, notice of which is hereby expressly acknowledged by the Purchaser, and pursuant to which the Vendor or the Municipality is responsible at its own expense for constructing and installing all services within the Lands, 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 Subdivider 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.

ACKNOWLEDGMENT REGARDING WARNING CLAUSES

15. The Purchaser acknowledges that the Draft Conditions and existing and/or future Development Agreements between the Vendor and/or the Subdivider 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 Lands/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, acknowledgments, 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 Subdivider 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.

COMPLETION OF GRADING AND MUNICIPAL SERVICES

16. (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 FIVE (5) years from the later of the Closing Date or the Unit Transfer 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, 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 services by the Municipality and/or the return of any security to the 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 Subdivider 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, 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 harmless from and against any losses and all damages, suits costs, expenses or liabilities incurred by the Vendor 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 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 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 Property, 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, storm drains, 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

- 17. 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 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 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 has installed landscaping in accordance with the final approved plans for the Condominium or the site 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 Subdivision and Condominium.

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

- 18. 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. Where the Purchaser is obliged to make such repairs and undertake such maintenance, the Purchaser shall indemnify and save harmless the Vendor 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 twelve (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

- 19. 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 Closing 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 Closing 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 ONHWP, and shall extend only for the time period (and in respect of those items) stipulated or covered by ONHWP. 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 ONHWP 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. The Purchaser acknowledges and agrees that the Dwelling or Property does/may contain wood flooring which will absorb excess moisture under humid conditions and release its normal moisture content under excessively dry conditions. Wood flooring will naturally swell during the humid seasons and will shrink when heat is applied. The Purchaser acknowledges that the Vendor will not be responsible for any swelling or shrinkage cracks resulting from excessive humidity or excessive dryness within the Dwelling. When the heating system is not in use during late spring, summer and early fall, the Vendor strongly recommends that the Purchaser use a dehumidifier in the Dwelling. Correspondingly, when the heating system is on during the late fall, winter and early spring, the Vendor strongly recommends use of a humidifier system within the Dwelling. The Purchaser takes full responsibility for any damage to the wood flooring as a result of its failure to mitigate air quality conditions as herein set out
- (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 and/or the Unit Transfer Date, or the failure of the Developer to complete any element on the Lands, 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 and/or Unit Transfer 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 Vendor shall provide the Purchaser, on or before closing, with such evidence that the Dwelling may be legally occupied in accordance with the terms and provisions of the Addendum. 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 façade 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. 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. 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 ONHWPA, 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 Closing 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, gas and water services, and accordingly the consumption of electricity, gas and water services (as well as cable television, internet and telephone charges), shall be borne and paid for by the Purchaser from and after Closing Date.
- (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) 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.

FINISH SELECTION AND EXTRAS

- 20. (a) The Purchaser covenants and agrees to notify the Vendor, in writing within seven (7) days of the Vendor's request, as to any colours and finishes or other items to be chosen by the Purchaser from the Vendor's samples, and if the Purchaser fails to so notify the Vendor of his colour and finish selection or other selection within such time, the Vendor shall not be held liable for any delays in having the Dwelling substantially completed sufficient to permit occupancy thereof by the Closing Date, and the Purchaser shall complete the transaction on such date, notwithstanding that the Dwelling may not be substantially completed by such date. The Purchaser acknowledges and agrees that as a result of the Tarion Delayed Closing rules and regulations as set out in the Addendum, that any delay caused by the Purchaser in the selection of the finishes and colours can result in a delay in a construction and delivery of the Dwelling and as a result, a breach of the Purchaser's covenants in this section shall be considered a material breach of contract entitling the Vendor to all of its remedies in contract, law and equity, including without limitation, the right to terminate this Agreement and retain all monies paid thereto by the Purchaser as liquidated damages and not as penalty. Notwithstanding and in addition to the foregoing, in the event the Purchaser fails to make such selections as aforesaid, the Vendor shall be entitled to make such selections on behalf of the Purchaser and the Purchaser shall be obliged to complete this transaction without any holdback or abatement whatsoever.

- (b) Subject to the Vendor's approval, if the Purchaser chooses to order third party upgrades or extras other than those specified and provided by the Vendor or if the Vendor agrees to allow the Purchaser or its agents to complete certain work within the Dwelling (collectively referred to as "**Third Party Work**"), then, if any delays in the completion of such Third Party Work affects the availability of legal occupancy of the Dwelling, then the Vendor shall not be held liable for any delays in having the Dwelling substantially completed sufficient to permit occupancy thereof by the Closing Date, and the terms of the Addendum shall apply. If the delay in the delivery and/or installation of the Third Party Work does not prevent the legal occupation of the Dwelling and the provision of the evidence confirming same as set out in the Addendum, then the Purchaser shall complete the transaction notwithstanding, without any holdbacks in respect of the Purchase Price. In the event that the Purchaser ordered and paid for extras comprising or requiring Third Party Work through the Vendor and such extras are not available on closing, but the lack of installation of same does not prevent the closing of such transaction and/or legal occupancy of the Dwelling, then the Vendor shall have the option of either i) providing its undertaking to install such Third Party Work extras in the Dwelling within a reasonable time of receipt of same after the Unit Transfer Date or ii) refunding the cost of the Third Party Work extras on the Unit Transfer Date by way of providing the Purchaser with a credit in the final statement of adjustments. In such latter event, such credit shall be accepted by the Purchaser as full and final settlement of any claim by the Purchaser with respect to such extras.
- (c) The Purchaser specifically acknowledges that in the manufacture of finishing items, colour variances sometimes occur. The Purchaser hereby agrees to accept any such colour variation resulting from the manufacturing process without any right of abatement of purchase price and in full satisfaction of the Vendor's obligations herein. More specifically, the Purchaser acknowledges that colour, texture, appearance, grains, veining, natural variations in appearance etc. of features and finishes installed in the Dwelling or the Property may vary from Vendor's samples as a result of normal manufacturing and installation processes and as a result of any such finishes being of natural products and the Purchaser agrees that the Vendor is not responsible for same. The Vendor is not responsible for shade difference occurring in the manufacture of items such as, but not limited to, finishing materials or products such as carpet, tiles, bath tubs, sinks and other such products where the product manufacturer establishes the standard for such finishes. Nor shall the Vendor be responsible for shade difference in colour of components manufactured from different materials but which components are designed to be assembled into either one product or installed in conjunction with another product and in these circumstances the product as manufactured shall be accepted by the Purchaser. Purchaser acknowledges and agrees that pre-finished wood flooring (if any) may react to normal fluctuating humidity levels inducing gapping or cupping. The Purchaser acknowledges that natural stone (if any) is a very soft stone which will require a substantial amount of maintenance by the Purchaser and is very easily scratched and damaged. Purchaser acknowledges and agrees that carpeting may be seamed in certain circumstances and said seams may be visible. The Purchaser further acknowledges and agrees that various types of flooring, including but not limited to carpets, marble, tile, laminate, hardwood floors, or engineered wood in the dwelling unit may result in different heights (to be established by the Vendor in its sole discretion) in the transitional areas between them, and that the Vendor may use appropriate reducers in the area. For greater certainty, the Purchaser acknowledges and agrees that insofar as the wood finishes, laminate, 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, laminate, 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 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.
- (d) 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.

NO ACCESS UNTIL CLOSING

21. 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

22. 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 Lands, 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.

TITLE

23. 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 Lot and/or Property from any registered owner of same and shall accept that owner's title covenants in lieu of the Purchaser. The Purchaser agrees to satisfy himself as to compliance with any of the following items and the Vendor shall not be obligated on Closing, the Unit Transfer Date or thereafter to obtain any compliances, releases or discharges with respect to any of the following items:
- (a) any subdivision agreement, site plan agreement, condominium 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 "**Subdivision Agreements**" or 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 Unit Transfer 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 ten (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 Subdivider, any Service Provider, the Vendor, any owner of adjacent or neighbouring lands and/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, Subdivider, 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 Subdivider 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 Subdivider 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 for 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; and,
 - (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**").
24. (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 Unit Transfer 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 ONHWP. 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. The Purchaser also acknowledges that the Vendor and the Vendor's Solicitor may arrange for the project to be enrolled with a title insurer or insurers acceptable to the Vendor (the "Title Insurer") in order to centralize underwriting for the project and avoid unnecessary duplication of costs for purchasers and their solicitors. In the event that the Purchaser elects to obtain title insurance through the Title Insurer, the Purchaser and the Purchaser's solicitor shall not be required to perform some or all of the following due diligence thereby saving the Purchaser significant transaction costs: title search and review of title search; preparation of requisition letter; prepare, send out and review responses to clearance letters; execution searches against the Vendor; and corporate status searches. As a result of the foregoing and regardless of whether the Purchaser obtains title insurance through the Title Insurer, the Purchaser agrees to pay to the Vendor or its solicitors on the Closing Date an administration fee of three hundred (\$300.00) dollars plus applicable taxes for enrolling the project with the Title Insurer and for preparing and delivering to the Purchaser's solicitor and Title Insurer a title advice statement.
- (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 Unit Transfer 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 Unit Transfer 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 (4 foot) 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

25. 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.O. 1990 and any amendments thereto, including without limitation Section 50 thereof, on or before the Unit Transfer Date.

MANNER OF PURCHASER'S TITLE

26. The Purchaser agrees to advise the Vendor or its solicitors within fifteen (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

27. The Purchaser acknowledges that the Property and Dwelling is serviced by a rental hot water tank (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

28. 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 Closing Date and/or the Unit Transfer 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 Unit Transfer 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

29. All buildings and equipment comprising the Dwelling and the Property shall be and remain at the risk of the Vendor until Unit Transfer Date. Provided that from and after the Closing Date, if same occurs prior to the Unit Transfer 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 Unit Transfer 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

30. (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 Unit Transfer 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

31. 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

32. (a) The parties acknowledge that on the Unit Transfer 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 and/or Unit Transfer 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 and/or the Unit Transfer 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 and/or Unit Transfer 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 and/or Unit Transfer 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 or Unit Transfer 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

- 33. (a) The 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 Unit Transfer 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 and/or Unit Transfer Date as the case may be, in accordance with the tender provisions of this Agreement;
- (c) the Vendor may deliver all documents required for closing on the Closing Date and/or Unit Transfer 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 Unit Transfer 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 Unit Transfer 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

34. The Purchaser acknowledges that the keys to the Property shall be available for release to the Purchaser at the site or other office of the Vendor and that this availability constitutes a valid tender of keys on the Purchaser.

FORCE MAJEURE

35. Whenever (and to the extent that) the 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

36. (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 Unit Transfer 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 Unit Transfer 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.

DEFAULT AND REMEDIES

37. 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.
38. 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.

LIMITATION

39. 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 Subdivider holding title to the Property.

NOTICES AND IRREVOCABLE DATES

40. (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 (2nd) 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 and/or Unit Transfer 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

41. 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

42. 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

43. The Purchaser's covenants and agreements hereinbefore and hereinafter contained shall not merge on the Unit Transfer Date and/or 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

44. 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

45. 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), Taron 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 (i.e. with respect to Land Transfer Tax), and Canada Revenue Agency (i.e. 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;
 - (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

46. 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 Closing. 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

47. The Purchaser acknowledges that the Vendor or the Vendors' assigns or related or affiliated corporation(s), or the Subdivider, 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 situate, 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

48. 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 Two (\$2.00) Dollars which shall be payable as part of the monies dues on the Unit Transfer 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 ONHWP.
 - (d) The Purchaser acknowledges that the roadway and laneway 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

- 49. 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

- 50. 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

- 51. 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

- 52. 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

- 53. 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.

IDEAL (BC) DEVELOPMENTS INC.
SCHEDULE "E"
ADVISORY CLAUSES AND PROVISIONS

1. Purchasers are advised that transformers, fire hydrants and valves, fencing, light standards, cable and telephone boxes and rear lot catch basins may be located within their Potl/lot.
2. This development will function as a common element condominium and all details and associated costs shall be presented in the sales office, and through marketing materials, etc.
3. Purchasers are advised that there will not be door to door mail delivery and that postal service will be from a super mail box(es) or designated Community Mailbox at a location designated by Canada Post in its discretion.
4. The Condominium Corporation shall be responsible for the inspection and long term maintenance of any stormwater management infrastructure within the common elements, and shall maintain the infrastructure in good repair and function on the subject lands.
5. Subject to the terms of the final registered condominium declaration, the Condominium Corporation shall be responsible for ensuring that proper drainage is maintained by ensuring that the grades remain in their original form. As such, the Corporation shall have a right of access to the lots for the purpose of inspecting, repairing and maintaining the common elements and the servicing of this infrastructure, whether or not such infrastructure is located within the common elements;
6. The Purchaser acknowledges that existing and/or future site plan agreements, section 37 agreements, development agreements and other agreements with the Municipality and other Governmental Authorities, affecting the real property 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 usage of the real property, environmental issues, noise levels from adjacent or nearby buildings, hospitals, plazas, roadways or otherwise, school transportation and related educational issues, the absence of door-to-door mail delivery, the location of mailboxes, the status of services and works in the condominium and in general, any other matter that may be deemed by the Municipality and/or Governmental Authorities to inhibit the enjoyment by the Purchaser of the real property. The Purchaser acknowledges and agrees that the Vendor may be unable at this time to provide the Purchaser with all such notices and warnings. On or before closing, the Purchaser shall forthwith execute upon request by the Vendor, acknowledgements or amendments to this Agreement containing the required notices and warning clauses. The Purchaser acknowledges and agrees that the Vendor may be unable to sell the real property to the Purchaser unless the Purchaser executes such acknowledgements or amendments as aforesaid. In the event that the Purchaser fails to execute such acknowledgements or amendments forthwith upon being requested to do so by the Vendor, the Vendor shall be entitled, 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.
8. The Purchaser expressly acknowledges that at the date of execution of this Agreement, draft plan and/or site plan approval pursuant to the provisions of the Planning Act, R.S.O. 1990 and/or Condominium Act, R.S.O. 1998 as either may be amended may not yet have been obtained with respect to the project. The Purchaser further acknowledges that the draft conditions and any Development Agreements may contain warnings, and other provisions which are required to be included in agreements of purchase and sale for units in the Condominium. The Purchaser covenants and agrees to execute any and all documentation, including an amendment to this Agreement, as may be required by the Vendor, and in a form satisfactory to the Vendor, in order that the foregoing provisions shall be incorporated into this Agreement and acknowledged by the Purchaser.
9. The Purchaser acknowledges receipt of notice from the Vendor that the Vendor or related or associated corporations may develop other lands in the vicinity of the Condominium and may apply for zoning or rezoning thereof, and the Purchaser agrees and undertakes on behalf of themselves, their successors and assigns not to object or oppose any applications for the development, zoning, rezoning, amendment to the Official Plan or Secondary Plan or any similar applications and agrees that this paragraph may be pleaded as a bar to any objection thereof. The Purchaser covenants to include this clause in any conveyance, mortgage or disposition of the Unit and to assign the benefit of such covenant to the Vendor.
10. Without limiting the generality of the preceding subparagraph, the Purchaser is hereby advised that:
 - (i) noise levels and neighbouring properties may occasionally cause noise and inconvenience to the residential occupants; and
 - (ii) as and when other residential units/Potls in the project are being completed and/or moved into, excessive levels of noise, vibration, dust and/or debris are possible, and same may accordingly temporarily cause noise and inconvenience to the residential occupants.
11. The Municipality does not require off-site snow removal. However, in the case of heavy snow falls the limited storage space available on the property may make it necessary to truck the snow off the site and the cost of same will be included in the common expense fees.
12. The Purchaser acknowledges that the Vendor is not required to deliver "hard" or paper copies of the documentation pertaining to the conveyance of title to the Potl, draft or otherwise, to the Purchaser or the Purchaser's solicitor (the "Closing Documentation"). The Vendor or the Vendor's representatives may, at their option, deliver to the Purchaser or the Purchaser's solicitor any or all of the Closing Documentation by email and/or by website. If delivered by

website, the Closing Documentation shall be made available for download on an internet website designated by the Vendor and access to such website shall be effected by way of a confidential password to be provided to the Purchaser and/or the Purchaser’s solicitor. In the event the Vendor delivers or tenders closing documents required in connection with this transaction on the Title Transfer Date by posting same on the world wide web, then the Purchaser shall reimburse the Vendor on the Closing Date for the costs incurred by the Vendor to utilize such web services for the project and/or this transaction. In the event that any such fees are issued on a bulk basis, the Vendor shall have the right to apportion such costs to the Purchaser in accordance with his/her proportionate ownership interest in the Condominium as set out in Schedule D to the Declaration.

- 13. Purchasers/tenants are advised that sound levels due to increasing road traffic may occasionally interfere with some activities of the dwelling occupants as the sound levels exceed the Municipality’s and the Ministry of the Environment’s noise criteria.

This dwelling unit has been supplied with a central air conditioning system which will allow windows and exterior doors to remain closed, thereby ensuring that the indoor sound levels are within the Municipality’s and the Ministry of the Environment’s noise criteria.

SCHEDULE “Z”
SPECIAL ASSIGNMENT PROVISIONS

Notwithstanding anything to the contrary in this Agreement, the Purchaser covenants not to offer, list or advertise for sale, lease, transfer or assign, nor to sell, lease, transfer or assign (collectively referred to as the “Assignment”) the Purchaser’s interest under this Agreement (or in the Potl) prior to the Unit Transfer Date (and the Vendor having received payment of all of the Purchase Price on the Unit Transfer Date), without the prior written consent of the Vendor, which consent shall not be unreasonably withheld, provided that the Purchaser has satisfied all of the conditions as set out in this Schedule. This Schedule “Z” shall only be applicable to the original Purchaser. The original Purchaser shall be limited to obtaining one Assignment request/consent pursuant to this Schedule “Z” after which the terms of Schedule D, including Section 36 thereof in the Agreement of Purchase and Sale shall govern.

As a condition of the Vendor providing its consent in respect of an Assignment of the Purchaser’s interest under this Agreement or the Potl, as aforesaid, the following conditions must be satisfied in advance:

(i) the Purchaser shall not otherwise be in default of any of the terms of the Agreement of Purchase and Sale, and all deposits due and owing under the Agreement of Purchase and Sale shall have been received and deposited;

(ii) the Purchaser and assignee/transferee will be required to execute and deliver to the Vendor, the Vendor’s standard form of assignment and assumption agreement (the “Assignment Agreement”);

(iii) the Vendor must receive by way of certified cheque or bank draft on the date of execution and delivery of the Assignment Agreement the Vendor’s administration and processing fee of ~~Seven Thousand Five Hundred~~ ^{Zero} ~~Hundred~~ Dollars (\$~~7,500.00~~^{\$0.00}), plus HST together with any other applicable fees, including Vendor’s solicitor’s fees, currently estimated at One Thousand Five Hundred Dollars (\$1,500.00) plus disbursements and HST;

DS
[Redacted Signature]

(iv) that the Vendor has entered into agreements of purchase and sale with third party purchasers, which are firm and binding, for the sale of one hundred (100%) percent of all residential units/Potls within the project, and has obtained construction financing;

DS
OK

(v) regardless of whether the Assignee qualifies for the Rebate, the transaction shall be completed on the basis that the Assignee does not qualify for the Rebate, the Rebate amount shall be paid by the Assignee to the Vendor on the Unit Transfer Date and the Assignee shall deal directly with CRA for the purpose of recovering the Rebate or the GST/HST Rental Housing Rebate (as the case may be), unless otherwise agreed by the Vendor;

(vi) the Vendor has received the written consent or approval from any lending institution or mortgagee providing any financing to the Vendor, construction or otherwise, for the development and construction of the Condominium, and the assignee/transferee shall produce together with submission of the executed Assignment Agreement, all such information as required by the Vendor and/or the Vendor’s Mortgagee.
Notwithstanding such assignment, the Purchaser shall not be relieved of its obligations herein and in no event shall the Purchaser list or cause to be listed the Potl/dwelling for sale, lease or otherwise on a listing service system including, without limitation, the Multiple Listing System (“MLS”).

The Purchaser acknowledges and agrees that once a breach of the preceding covenant occurs, such breach is (or shall be) incapable of rectification, and accordingly the Purchaser acknowledges and agrees that in the event of such breach, the Vendor shall have the unilateral right and option of terminating this Agreement (and, if applicable, 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 consequences of termination by reason of the Purchaser’s default, shall apply.

Purchaser’s Initials	DS [Redacted Signature]
Purchaser’s Initials	[Redacted Signature]
Vendor’s Initials	OK



AGENCY DISCLOSURE ACKNOWLEDGEMENT

SITE NAME:

BOSS LUXURY TOWNS

UNIT NUMBER:

BLOCK:

MODEL:

MASERATI

VENDOR:

IDEAL (BC) DEVELOPMENTS INC.

PURCHASER(S):

The Purchaser(s) herein acknowledge **Spectrum Realty Services Inc.** has an agency relationship with the Vendor:

IDEAL (BC) DEVELOPMENTS INC.

and will be compensated through the Vendor. This compensation is usually called commission and usually takes the form of a fee or payment from the Vendor of the real property upon successful completion of the Real Estate transaction.

An agency relationship is created when one person, known as the Principal, asks another person, known as the Agent, to act for and on behalf of the Principal. The Principal will define the nature and extent of the relationship. Real Estate Agency relationships are created when Vendors or Purchasers ask Realtors to act on their behalf in Real Estate transactions.

An Agent who represents a Principal (Vendor), owes the Principal (Vendor) the highest duty of “utmost faith”, the Agent must represent the Principal’s (Vendor) best interest at all times. The Agent owes his Principal (Vendor) a duty of confidentiality regarding information about the Principal (Vendor). However, the Purchaser can expect the Realtor to disclose all pertinent information about the property, not to misrepresent any facts, and to honestly answer all questions about the property. This has been a usual form of relationship for many years in the Real Estate industry.

As Purchaser, I/we confirm and acknowledge being advised that, and consent to the fact that **Spectrum Realty Services Inc.** acts as Agent only for the Vendor and will be compensated only by the Vendor.

DATED at _____, this _____ day of 10/9/2020 | 3:23:42 PM EDT, 20____.

Witness

4BDF7B16874F49B...

Purchaser

8DCA9B75EFC946F...

Purchaser

Appendix O

IDEAL GROUP

February 01, 2022

Stephen Ferguson
Alvarez & Marsal Canada
200 Bay Street, Suite 2900
Toronto, ON M5J 2J1

Re: Brief explanation on funds advanced to IDI Inc.

IDI Inc. received \$5,621,500 from Ideal (BC) development during the time Mar 2020 to Dec 2021, and gave back Ideal (BC) Development \$3,050,882.50 during the same period. This left a \$2,570,617.50 intercompany loan payable to BC.

This money was used to support Ideal Group's operation and also helped other project companies in the way just like Ideal (BC) got help from Ideal's sister companies when it was firstly set up.

However, during the same time, other Ideal sister companies also loaned money to IDI Inc. Therefore, it is extremely difficult to say which money was used exactly on which project.

Sincerely,

Shajiraj Nadarajalingam

Appendix P



Via Email & Courier

April 8, 2022

Ideal Developments Inc.
65 Allstate Parkway, Unit 101
Markham ON
L3R 9X1

Attn: Shajiraj Nadarajalingam

Re: Ideal BC Developments Inc. (the “Company”)

As you are aware, on December 17, 2021, pursuant to an order (the “Appointment Order”) of the *Ontario* Superior Court of Justice (the “Court”), Alvarez & Marsal Canada Inc. was appointed as receiver (“Receiver”) of the Company. A copy of the Appointment Order can be found on the Receiver’s website at www.alvarezandmarsal.com/idealbc.

The Company’s books and records indicate that Ideal Developments Inc. is indebted to the Company in the amount of **\$2,726,802.75**. For your convenience, we attach a copy of the intercompany balance statement provided by Freidman Law Professional Corporation indicating the amount owing.

We hereby request that you remit payment in full for this amount to the Receiver at the following address.

Alvarez & Marsal Canada Inc.
Receiver of Ideal BC Developments Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, ON M5J 2J1

Attention: Stephen Ferguson

Should you wish to pay via wire transfer or courier a cheque, please contact the undersigned to make arrangements. To avoid further action, please make payment on this account immediately. Please note that payment to any other party will not discharge your liability.

Should you have any questions or concerns regarding this matter, please contact the undersigned by phone at 416 847 5162 or via e-mail at sferguson@alvarezandmarsal.com.

Yours very truly,

ALVAREZ & MARSAL CANADA INC.
in its capacity as
COURT APPOINTED RECEIVER
IDEAL BC DEVELOPMENTS INC and not in its personal capacity

Per: Stephen Ferguson
Senior Vice President

IDEAL DEVELOPMENTS INC.			1:59 PM
Intercompany Balance			23/02/22
As of 17 December 2021			Accrual Basis
		17 Dec 21	
		Debit	Credit
Intercompany:Ideal (BC) Developments Inc			2,726,802.75
Intercompany:Ideal (Hope) Foundation	62,225.39		
Intercompany:Ideal (JS) Developments Inc			2,005,701.70
Intercompany:Ideal (MM) Developments Inc	1,801,745.36		
Intercompany:Ideal (MN) Developments Inc	40,622.54		
Intercompany:Ideal (RD) Developments Inc	2,238,062.66		
Intercompany:Ideal (Spadina) Developments In	3,942,173.44		
Intercompany:Ideal (WC) Developments inc	2,096,513.60		
Intercompany:Ideal Asset Corp	691,585.39		
Intercompany:Ideal Entertainment Inc.			2,564,089.61
Intercompany:Ideal Middle East Inc.	22,268.54		
Intercompany:Ideal Properties Inc			3,306,001.95
Intercompany:Ideal Ventures Inc.			43,676.05
Intercompany:Ideal(BC2) Developments Inc			217,719.63
Intercompany:Ideal(MN2)Developments Inc			18.00
Intercompany:Ideal(RD2)Developments Inc			2,024,611.55
Intercompany:IDI INC.			1,962,193.15
TOTAL	10,895,196.92	14,850,814.39	



Via Email & Courier

April 8, 2022

Ideal (RD) Developments Inc.
65 Allstate Parkway, Unit 101
Markham ON
L3R 9X1

Attn: Shajiraj Nadarajalingam

Re: Ideal BC Developments Inc. (the “Company”)

As you are aware, on December 17, 2021, pursuant to an order (the “Appointment Order”) of the *Ontario* Superior Court of Justice (the “Court”), Alvarez & Marsal Canada Inc. was appointed as receiver (“Receiver”) of the Company. A copy of the Appointment Order can be found on the Receiver’s website at www.alvarezandmarsal.com/idealbc.

The Company’s books and records indicate that Ideal (RD) Developments Inc. is indebted to the Company in the amount of **\$2,043,036.19**. For your convenience, we attach a copy of the intercompany balance statement provided by Freidman Law Professional Corporation indicating the amount owing.

We hereby request that you remit payment in full for this amount to the Receiver at the following address.

Alvarez & Marsal Canada Inc.
Receiver of Ideal BC Developments Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, ON M5J 2J1

Attention: Stephen Ferguson

Should you wish to pay via wire transfer or courier a cheque, please contact the undersigned to make arrangements. To avoid further action, please make payment on this account immediately. Please note that payment to any other party will not discharge your liability.

Should you have any questions or concerns regarding this matter, please contact the undersigned by phone at 416 847 5162 or via e-mail at sferguson@alvarezandmarsal.com.

Yours very truly,

ALVAREZ & MARSAL CANADA INC.
in its capacity as
COURT APPOINTED RECEIVER
IDEAL BC DEVELOPMENTS INC and not in its personal capacity

Per: Stephen Ferguson
Senior Vice President

Ideal (RD) Developments Inc		2:02 PM
Intercompany Balance		23/02/22
As of 17 December 2021		Accrual Basis
		17 Dec 21
	Debit	Credit
88000 · Amount due to related corporati:88001 · Ideal Development Inc		2,238,062.66
88000 · Amount due to related corporati:88002 · Ideal Properties Inc		420,516.32
88000 · Amount due to related corporati:88003 · Ideal (BC) Developments Inc		2,043,036.19
88000 · Amount due to related corporati:88004 · Ideal (WC) Developments Inc	1,074,825.92	
88000 · Amount due to related corporati:88006 · Ideal(MM)Developments Inc		2,182.28
88000 · Amount due to related corporati:88007 · Ideal(Hope)Foundation	4,000.00	
88000 · Amount due to related corporati:88008 · Ideal (JS) Developments Inc	119,865.62	
88000 · Amount due to related corporati:88009 · Ideal (Spadina) Developments	585,000.00	
88000 · Amount due to related corporati:88011 · IDI Inc.		242,093.38
AL	1,783,691.54	4,945,890.83



Via Email & Courier

April 8, 2022

Ideal (RD2) Developments Inc.
65 Allstate Parkway, Unit 101
Markham ON
L3R 9X1

Attn: Shajiraj Nadarajalingam

Re: Ideal BC Developments Inc. (the “Company”)

As you are aware, on December 17, 2021, pursuant to an order (the “Appointment Order”) of the *Ontario* Superior Court of Justice (the “Court”), Alvarez & Marsal Canada Inc. was appointed as receiver (“Receiver”) of the Company. A copy of the Appointment Order can be found on the Receiver’s website at www.alvarezandmarsal.com/idealbc.

The Company’s books and records indicate that Ideal (RD2) Developments Inc. is indebted to the Company in the amount of **\$419,547.03**. For your convenience, we attach a copy of the intercompany balance statement provided by Freidman Law Professional Corporation indicating the amount owing.

We hereby request that you remit payment in full for this amount to the Receiver at the following address.

Alvarez & Marsal Canada Inc.
Receiver of Ideal BC Developments Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, ON M5J 2J1

Attention: Stephen Ferguson

Should you wish to pay via wire transfer or courier a cheque, please contact the undersigned to make arrangements. To avoid further action, please make payment on this account immediately. Please note that payment to any other party will not discharge your liability.

Should you have any questions or concerns regarding this matter, please contact the undersigned by phone at 416 847 5162 or via e-mail at sferguson@alvarezandmarsal.com.

Yours very truly,

ALVAREZ & MARSAL CANADA INC.
in its capacity as
COURT APPOINTED RECEIVER
IDEAL BC DEVELOPMENTS INC and not in its personal capacity

Per: Stephen Ferguson
Senior Vice President

Ideal(RD2) Developments Inc			2:03 PM
Intercompany Balance			23/02/22
As of 17 December 2021			Accrual Basis
		17 Dec 21	
		Debit	Credit
88000 · Amount due to related corporati:88001 · Ideal Development Inc	2,024,611.55		
88000 · Amount due to related corporati:88002 · Ideal Properties Inc			25,000.00
88000 · Amount due to related corporati:88003 · Ideal (BC) Developments Inc			419,547.03
88000 · Amount due to related corporati:88004 · Ideal (MM) Developments Inc			412,000.00
88000 · Amount due to related corporati:88005 · Ideal(BC2)Developments Inc			51,100.00
88000 · Amount due to related corporati:88007 · Ideal (JS) Developments Inc.			525,789.66
88000 · Amount due to related corporati:88008 · Ideal (WC) Developments Inc.			199,302.25
88000 · Amount due to related corporati:88011 · IDI Inc.			90,500.00
TOTAL	2,024,611.55		1,723,238.94



Via Email & Courier

April 8, 2022

IDI Inc.
65 Allstate Parkway, Unit 101
Markham ON
L3R 9X1

Attn: Shajiraj Nadarajalingam

Re: Ideal BC Developments Inc. (the “Company”)

As you are aware, on December 17, 2021, pursuant to an order (the “Appointment Order”) of the *Ontario* Superior Court of Justice (the “Court”), Alvarez & Marsal Canada Inc. was appointed as receiver (“Receiver”) of the Company. A copy of the Appointment Order can be found on the Receiver’s website at www.alvarezandmarsal.com/idealbc.

The Company’s books and records indicate that IDI Inc. is indebted to the Company in the amount of **\$1,620,617.50**. For your convenience, we attach a copy of the intercompany balance statement provided by Freidman Law Professional Corporation indicating the amount owing.

We hereby request that you remit payment in full for this amount to the Receiver at the following address.

Alvarez & Marsal Canada Inc.
Receiver of Ideal BC Developments Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, ON M5J 2J1

Attention: Stephen Ferguson

Should you wish to pay via wire transfer or courier a cheque, please contact the undersigned to make arrangements. To avoid further action, please make payment on this account immediately. Please note that payment to any other party will not discharge your liability.

Should you have any questions or concerns regarding this matter, please contact the undersigned by phone at 416 847 5162 or via e-mail at sferguson@alvarezandmarsal.com.


Yours very truly,

ALVAREZ & MARSAL CANADA INC.
in its capacity as
COURT APPOINTED RECEIVER
IDEAL BC DEVELOPMENTS INC and not in its personal capacity

Per: Stephen Ferguson
Senior Vice President

IDI Inc.			1:56 PM
Intercompany Balance			23/02/22
As of 17 December 2021			Accrual Basis
		17 Dec 21	
		Debit	Credit
Intercompany:Ideal (BC) Developments Inc			1,620,617.50
Intercompany:Ideal (JS) Developments Inc	3,002,957.19		
Intercompany:Ideal (MM) Developments Inc	502,606.61		
Intercompany:Ideal (MN) Developments Inc	84,653.15		
Intercompany:Ideal (RD) Developments Inc	242,093.38		
Intercompany:Ideal (Spadina) Developments In	454,833.71		
Intercompany:Ideal (WC) Developments inc			442,330.76
Intercompany:Ideal Asset Corp			9,600.00
Intercompany:Ideal Developments Inc.	1,962,193.15		
Intercompany:Ideal Entertainment Inc.			1,428,432.21
Intercompany:Ideal Properties Inc	394,992.30		
Intercompany:Ideal Ventures Inc.			2,171,224.83
Intercompany:Ideal(RD2)Developments Inc	90,500.00		
TOTAL	6,734,829.49		5,672,205.30

Appendix Q

	2 Bond Cres		List: \$1.00
	Richmond Hill Ontario L4E 3K2		For Sale
	Richmond Hill Oak Ridges York 337-23-H		
	SPIS: N	For: Sale	
	Taxes: \$41,736.00 / 2021 / Annual	Last Status: Sc	
	Legal: Pt Lt 67 Pl 136 King As In Ki22033 Except R135070,		DOM: 74
	Land	Occup: Vacant	Lse Term Mnths: /
	Designated	Freestanding: SPIS: N	Holdover: 120
	Com Cndo Fee:		Franchise:
	Dir/Cross St: Bond Cres & Yonge St		

MLS#: N5495322 **Sellers:** Alvarez & Marsal Canada Inc. **Contact After Exp:** N

Possession Remarks: Immediate

PIN#: **ARN#:**

Total Area: 3.55 Acres	Survey:	Soil Test:
Ofc/Apt Area:	Lot/Bldg/Unit/Dim: 160.76 x 671.13	Out Storage:
Indust Area:	Feet Lot	Rail:
Retail Area:	Lot Irreg:	Crane:
Apx Age:	Bay Size:	Basement:
Volts:	%Bldg:	Elevator:
Amps:	Washrooms:	UFFI:
Zoning: Rm1 And C	Water: Municipal	Assessment:
Truck Level:	Water Supply:	Chattels:
Grade Level:	Sewers: San+Storm	LLBO:
Drive-In:	A/C:	Days Open:
Double Man:	Utilities: A	Hours Open:
Clear Height:	Garage Type:	Employees:
Sprinklers:	Park Spaces: #Trl Spc:	Seats:
Heat:	Energy Cert:	Area Infl:
Phys Hdcp-Eqp:	Cert Level:	
	GreenPIS:	

Bus/Bldg Name:	For Year:	Financial Stmt:
Actual/Estimated:		
Taxes:	Heat:	Gross Inc/Sales:
Insur:	Hydro:	-Vacancy Allow:
Mgmt:	Water:	-Operating Exp:
Maint:	Other:	=NetIncB4Debt:
		EstValueInv At Cost:
		Com Area Upcharge:
		% Rent:

Client Remks: Property Addresses - 2,6,8, Bond Crescent & 8,10,12,14,16,18 Bostwick Crescent, Richmond Hill L4E 3K2 Prime Residential Land In Oak Ridges For Sale Through Receiver 72 Unit Townhouse Application Very Close To Approvals Bid Deadline Is March 22, 2022

Extras:

Brkage Remks: Seller - Alvarez And Marsal Canada Inc. Solely In Its Capacity As Court-Appointed Receiver Of Ideal (Bc) Developments Inc. And Not Its Personal Or Corporate Capacity.

MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES CANADA INC., BROKERAGE Ph: 416-585-4646 Fax: 416-585-4645

200 King St West #1210 Toronto M5H3T4

DAVID CORNAVIERA, Salesperson 416-585-4664

SCOTT CHANDLER, Broker 416-585-4696

Contract Date: 2/07/2022

Condition:

Ad: N

Expiry Date: 7/17/2022

Cond Expiry: 5/11/2022

Escape:

Last Update: 4/12/2022

CB Comm: 0.50%

Original: \$1.00

This ad was placed in the Globe and Mail Report on Business on February 15th and 17th in the real estate section.

**PRIME NEAR TERM
RESIDENTIAL DEVELOPMENT
OPPORTUNITY**

Marcus & Millichap

IPA
INSTITUTIONAL
PROPERTY
ADVISORS
a subsidiary of
MARCUS & MILLICHAP BROKERAGE

**BOND + BOSTWICK
RICHMOND HILL, ON**

- 3.55 acre site designated for low & medium density residential uses
- Proposed development for 72 townhouse units nearing approval
- Located in the sought-after, amenity-rich, Oak Ridges neighbourhood
- Bid deadline: March 22, 2022

SCOTT CHANDLER
416 587 8780
schandler@ipammil.ca

NICK COGAN
416 275 3357
nickcogan@marcusmillichap.com

JOHN STEWART
416 550 6159
jstewart@ipammil.ca

DAVID CORNAVERA
416 735 1820
david.cornaviera@marcusmillichap.com

IPAMMILCA | MARCUSMILLICHAP.CA
Marcus & Millichap Real Estate Investment Services Canada Inc., Brokerage
"Broker" Sales Representative

This ad was placed in the Insolvency Insider web publication, starting the week of Feb 14th until the week after the bid deadline.

- **Alvarez and Marsal Canada Inc.**, in its capacity as Court-Appointed Receiver, has engaged **Marcus & Millichap Real Estate Investment Services Canada Inc. & Institutional Property Advisors**, a wholly owned subsidiary, to solicit offers for the property located at 2, 6 and 8 Bond Crescent & 8, 10, 12, 14, 16 and 18 Bostwick Crescent, Richmond Hill, ON. A prime medium density residential development opportunity in the City of Richmond Hill. Situated on approximately 3.55 acres, the site is slated for residential development of 72 townhouse units with 53 standard townhouses and 19 stacked townhouses in the sought-after Oak Ridges neighbourhood. Further details can be found [HERE](#).

Appendix R

OFFER TO PURCHASE

TO: ALVAREZ & MARSAL CANADA INC. (the “**Vendor**” or “**Receiver**”) in its capacity as receiver and manager of all of the assets, undertakings and properties of Ideal (BC) Developments Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, appointed pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice dated December 17, 2021 in Court File No. CV-21-00672848-00CL at Toronto (the “**Appointment Order**”), and not in its personal capacity or corporate capacity.

1. Offer to Purchase

The undersigned, Amercan Corp. (the “**Purchaser**”), hereby offers to purchase from and through the Vendor all of the right, title and interest in and to the Property (hereinafter defined) which the Vendor is entitled to sell at the purchase price set out herein and upon and subject to the terms hereof.

2. Definitions

In this Offer and the Agreement arising from the acceptance hereof, the following terms have the meanings respectively ascribed to them:

“**Agreement**”, “**the Agreement**” or “**this Agreement**” means the agreement of purchase and sale resulting from the acceptance of this Offer by the Vendor.

“**Appointment Order**” has the meaning ascribed thereto in the addressee line hereof.

“**Approval and Vesting Order**” means an order of the Court in accordance with the provisions of the standard model approval and vesting order, in registrable form, with amendments as are agreed by counsel for the Purchaser and the Receiver acting reasonably, upon a motion brought by the Vendor, approving this Agreement and vesting in the Purchaser all the right, title and interest of the Debtor in the Property, free and clear of and from any and all security interests, hypothecs, mortgages, trusts or deemed trusts, liens, executions, levies, charges, or other financial or monetary claims, but subject to the Permitted Encumbrances.

“**Business Day**” means a day other than Saturday, Sunday or a statutory holiday in the Province of Ontario or any other day upon which the Vendor is not open for the transaction of business throughout normal business hours at its principal office.

“**Closing**” or “**Closing Date**” has the meaning ascribed thereto in Section 17 hereof.

"Court" means the Ontario Superior Court of Justice and includes a judge, master or registrar of that court and any appellate court judge having jurisdiction in any particular matter.

"Debtor" has the meaning ascribed thereto in the addressee line hereof.

"Deposit" has the meaning ascribed thereto in Section 3 hereof.

"Environmental Laws" mean all requirements under or prescribed by common law and all federal, provincial, regional, municipal and local laws, rules, statutes, ordinances, regulations, guidelines, directives, notices and orders from time to time with respect to the discharge, generation, removal, storage or handling of any Hazardous Substances.

"Hazardous Substances" means any contaminant, pollutant, dangerous substance, potentially dangerous substances, noxious substance, toxic substance, hazardous waste, flammable material, explosive material, radioactive material, urea-formaldehyde foam insulation, asbestos, PCBs radiation and any other substance, material, effect, or thing declared or defined to be hazardous, toxic, a contaminant, or pollutant, in or pursuant to any Environmental Laws.

"HST" has the meaning ascribed thereto in Section 16 hereof.

"Indemnitees" has the meaning ascribed thereto in Section 24 hereof.

"Listing Broker" means Marcus & Millichap Real Estate Investment Services Canada Inc.;

"Material Documents" includes copies of all architectural drawings, site plans relating to the Property, existing plans of survey, if any, to the extent that such Material Documents are in the possession of the Vendor.

"Offer", "the Offer" or "this Offer" means the offer to purchase the Property made by the Purchaser and contained in and comprised of this document.

"Permitted Encumbrances" has the meaning ascribed thereto in Section 11 hereof.

"Property" means the lands legally described in Schedule "A" attached hereto.

"Purchase Price" has the meaning ascribed thereto in Section 3 hereof.

"Purchaser" has the meaning ascribed thereto in Section 1 hereof.

"Receiver" has the meaning ascribed thereto in the addressee line hereof.

"TERS" has the meaning ascribed thereto in Section 17 hereof.

“Unit Sales Agreements” means any and all offers, agreements and all amendments, extensions and related agreements for the sale of units to be constructed in the residential project previously planned by the Debtor.

“Vendor” has the meaning ascribed thereto in the addressee line hereof.

3. Purchase Price

[REDACTED]

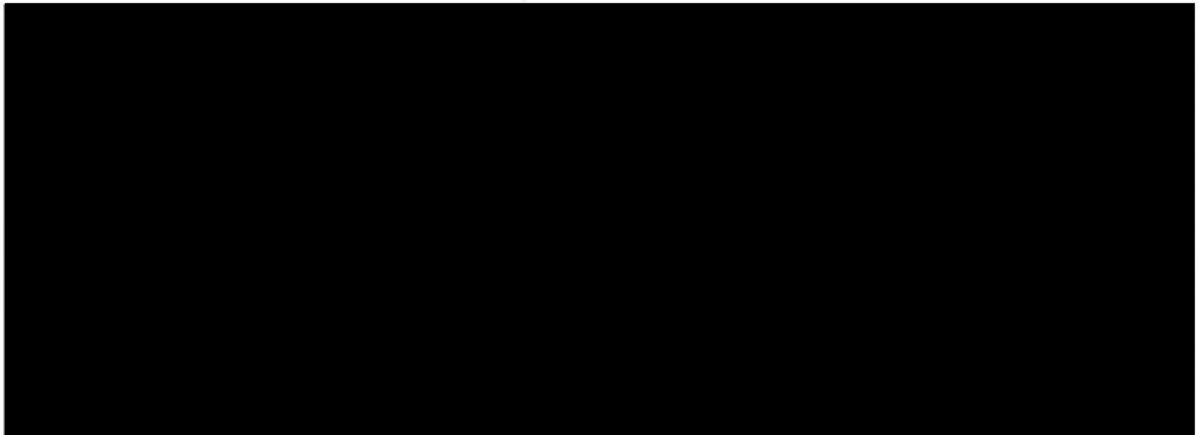
- (a) a deposit in the amount of Five Hundred Thousand Dollars (\$500,000), which shall be delivered with submission of this Offer by irrevocable wire transfer, or certified cheque or bank draft drawn on an account at a Canadian chartered bank or trust company payable to the Vendor, to be held by the Receiver in trust and credited toward the Purchase Price upon Closing (the “Deposit”);

(b)

[REDACTED]

- (c) the balance of the Purchase Price shall be paid by the full assumption of the Assumed Debt.

[REDACTED]



“Assumed Debt” shall be the sum of the amounts payable to American Corp. secured by is mortgages against the Property.

“Governmental Authority” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

4. Deposit

The Deposit shall be held in trust by the Vendor and shall be:

- (a) returned to the Purchaser without interest or deduction if the Vendor does not accept this Offer;
- (b) credited to the Purchaser as an adjustment against the Purchase Price on the Closing Date if the purchase and sale of the Property is completed pursuant to the Agreement;
- (c) returned to the Purchaser without interest and without deduction if the purchase and sale of the Property is not completed pursuant to the Agreement, provided that the Purchaser is not in default under this Offer or under the Agreement; or
- (d) retained by the Vendor as a genuine pre-estimate of liquidated damages and not as a penalty, in addition to any other rights and remedies that the Vendor may have under this Offer, the Agreement and at law, including offering the Property for sale to another person, if the purchase and sale of the Property is otherwise not completed pursuant to this Offer and the Agreement, as a result of the Purchaser’s breach hereunder.

5. Acceptance of Offer

The Purchaser agrees that no agreement for the purchase and sale of the Property shall result from this Offer unless and until this Offer has been accepted by the Vendor and the Approval and

Vesting Order has been obtained. The Purchaser agrees that this Offer shall be irrevocable by the Purchaser and open for acceptance by the Vendor until 5:00 o'clock p.m. (Toronto time) on April 22, 2022, after which time, if not accepted by the Vendor, this Offer shall be null and void and the Deposit shall be returned to the Purchaser in accordance with Section 4(a) hereof. The Vendor shall indicate the date on which it has accepted this Offer in the space provided on the execution of this Offer.

6. Court Approval

The Purchaser hereby acknowledges and agrees that the sale of the Property is subject to issuance of the Approval and Vesting Order. The Vendor shall bring a motion to the Court for the Approval and Vesting Order as soon as reasonable possible following acceptance of this Offer by the Vendor. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably require to obtain the Approval and Vesting Order.

7. Capacity of Receiver

The Vendor, by acceptance of the Offer, is entering into the Agreement solely in its capacity as the Court-appointed Receiver of all of the Debtor's assets, undertakings and properties and not in its personal, corporate or any other capacity. Any claim against the Receiver shall be limited to and only enforceable against the assets, undertakings and properties then held by or available to it in its said capacity as Receiver and shall not apply to its personal property and/or any assets held by it in any other capacity. The Vendor shall have no personal or corporate liability of any kind, whether in contract or in tort or otherwise. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Property.

8. Adjustments

The Purchase Price for the Property shall be adjusted as of the Closing Date in respect of realty taxes, flat/fixed water and sewer rates and charges, utility deposits, if any, and all other items usually adjusted with respect to properties similar to the Property that apply. Such adjustments shall be pro-rated where appropriate for the relevant period on the basis of the actual number of days elapsed during such period prior to the Closing Date itself to be apportioned to the Purchaser.

9. Conditions for Benefit of the Vendor

The obligation of the Vendor to complete the Agreement is subject to the satisfaction of the following terms and conditions on or prior to the Closing Date, which conditions are for the sole benefit of the Vendor and which may be waived by the Vendor in its sole discretion:

- (a) the representations and warranties of the Purchaser herein being true and accurate as of the Closing Date;

- (b) no action or proceeding at law or in equity shall be pending or threatened by any person, firm, government, government authority, regulatory body or agency to enjoin, restrict or prohibit the purchase and sale of the Property;
- (c) the Property shall not have been removed from the control of the Vendor by any means or process; and
- (d) the Court shall have granted the Approval and Vesting Order.

10. Purchaser's Acknowledgements

The Purchaser hereby acknowledges and agrees with, and to be subject to, the following:

- (a) it is responsible for conducting its own searches and investigations of the current and past uses of the Property;
- (b) the Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Property is or will be lawful or permitted;
- (c) it is satisfied with the Property and all matters and things connected therewith or in any way related thereto;
- (d) it is relying entirely upon its own investigations and inspections in entering into this Agreement;
- (e) it is purchasing the Property on an "as is, where is" and "without recourse" basis including, without limitation, outstanding work orders, deficiency notices, compliance, requests, development fees, imposts, lot levies, sewer charges, zoning and building code violations and any outstanding requirements which have been or may be issued by any governmental authority having jurisdiction over the Property;
- (f) it relies entirely on its own judgment, inspection and investigation of the Property and acknowledges that any documentation relating to the Property obtained from the Vendor has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Offer;
- (g) it will provide the Vendor with all requisite information and materials, including proof respecting source or funds, at any time or times within forty-eight (48) hours of request by the Vendor so that the Vendor may determine the creditworthiness of the Purchaser and any related parties thereto;
- (h) the Vendor shall have no liability or obligation with respect to the value, state or condition of the Property, whether or not the matter is within the knowledge or imputed knowledge or the Vendor, its officers, employees, directors, agents, representations and contractors;

- (i) the Vendor has made no representations or warranties with respect to or in any way related to the Property, including without limitation, the following: (a) the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Property, either stated or implied; and (b) the environmental state of the Property, the existence, nature, kind, state or identity of any Hazardous Substances on, under, or about the Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law now in existence, or the state, nature, kind, identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Substances whether on, under or about the Property or elsewhere;
- (j) the Material Documents are being provided to the Purchaser merely as a courtesy and without any representations or warranties whatsoever; and
- (k) it will ensure that any environmental and/or structural reports on behalf of the Purchaser shall also be addressed to the Vendor and a copy of each such report shall be delivered to the Vendor promptly after the completion thereof, regardless of whether the transaction contemplated by this Offer closes. If for any reason such transaction is not consummated, the Purchaser agrees to deliver promptly to the Vendor any and all reports and other data pertaining to the Property and any inspections or examinations conducted hereunder.

11. Title to the Property

The Purchaser agrees that the Approval and Vesting Order will vest title to the Property free from all restrictions, charges, liens, claims and encumbrances, save and except for the following (collectively, the **"Permitted Encumbrances"**):

- (a) any reservations, restrictions, rights of way, easements or covenants that run with the land;
- (b) any registered agreements with a municipality, region or supplier of utility service including, without limitations, electricity, water, sewage, gas, telephone or cable television or other telecommunication services;
- (c) all laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Property;
- (d) any minor easements for the supply of utility services or other services to the Lands or Buildings, if any, or adjacent properties;

- (e) encroachments disclosed by any error or omission in existing surveys of the Lands or neighbouring properties and any title defects, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the Lands and survey of the Lands and survey matters generally;
- (f) the exceptions and qualifications set forth in the *Registry Act* (Ontario) or the *Land Titles Act* (Ontario), or amendments thereto;
- (g) any reservation(s) contained in the original grant from Crown;
- (h) subsection 44(1) of the *Land Titles Act* (Ontario) except paragraphs 11 and 14;
- (i) provincial succession duties and escheats or forfeiture to the Crown;
- (j) the rights of any person who would, but for the *Land Titles Act* (Ontario) be entitled to the Lands or any part of it through length of adverse possession, prescription, misdescription or boundaries settled by convention;
- (k) any lease to which subsection 70(2) of the *Registry Act* (Ontario) applies; and
- (l) those registrations set out in Schedule "C" attached hereto.

Notwithstanding the foregoing, the Approval and Vesting Order shall provide for the deletion of the instruments or registrations listed in Schedule "B" attached hereto, and for the deletion of any filings under the *Personal Property Security Act* (Ontario), as they affect the Property. The Approval and Vesting Order shall also provide that the Property is free and clear of the Unit Sales Agreements and that the purchasers thereunder shall have no right to register a certificate of pending litigation on title to the Property or make any other claim against title to the Property.

12. Authorizations

The Purchaser shall assume, at its cost, complete responsibility for compliance with all municipal, provincial and federal laws insofar as the same apply to the Property and the use thereof by the Purchaser. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Vendor's right, title and interest, if any, in the Property.

13. As Is Where Is

For greater certainty, the Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Property on an "as is, where is" basis subject to whatever defects, conditions, impediments, Hazardous Substances or deficiencies which may exist on the Closing Date, including, without limiting the generality of the foregoing, any latent or patent defects in the Property. The Purchaser further acknowledges that it has entered into this Agreement on the basis

that the Vendor does not guarantee title to the Purchased Assets, and that the Purchaser shall have conducted such inspections of the condition and title to the Property as it deems appropriate and shall have satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, the existence or non-existence of Hazardous Substances, compliance with any or all Environmental Laws, legality of rents, merchantability, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Property, or the right of the Vendor to sell same, save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) do not apply hereto and have been waived by the Purchaser. The descriptions of the Property contained in this Agreement are for the purposes of identification only and no representation, warranty or condition has or will be given by the Vendor concerning the accuracy of such descriptions.

14. Risk of Loss

The Property shall be and remain until Closing at the risk of the Vendor. The Property shall thereafter be at the risk of the Purchaser. The Purchaser agrees that all the insurance maintained by the Vendor shall be cancelled on the Closing Date and that the Purchaser shall be responsible for placing its own insurance thereafter.

15. Planning Act

This Agreement is subject to the express condition that if the provisions of Section 50 of the *Planning Act* (Ontario) apply to the sale and purchase of the Lands, then this Agreement shall be effective to create an interest in the Lands only if such provision is complied with.

16. Harmonized Sales Tax

The Purchaser hereby represents and warrants to the Vendor that it is or will become registered for the purposes of Part IX of the *Excise Tax Act* (Canada) in accordance with the requirements of Subdivision (d) of Division V thereof and it will continue to be so registered as of the Closing Date. The Purchaser covenants to deliver to the Vendor drafts not less than five (5) Business Days before the Closing Date and originals upon Closing of: (i) a notarial copy of the certificate evidencing its registration for purposes of the goods and services tax / harmonized sales tax ("HST"), including the registration number assigned to it; and (ii) a declaration and indemnity of the Purchaser confirming the accuracy, as at Closing, of the representations and warranties set out herein and agreeing to indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay the HST payable in respect of the sale of the Property under Part IX of the *Excise Tax Act* (Canada) and that the Purchaser is buying for its own account and not as trustee or agent for any other party. Provided that the Purchaser delivers a notarial copy of the certificate and the declaration and indemnity as set out above, the Purchaser shall not be required to pay to the Vendor, nor shall the Vendor be required to collect from the Purchaser, the HST in respect of the Property. In the event that the Purchaser shall fail to deliver

the notarial copy of the certificate and the declaration and indemnity as set out above, then the Purchaser shall pay to the Vendor, in addition to the Purchase Price, in pursuance of the Purchaser's obligation to pay and the Vendor's obligation to collect HST under the provisions of the *Excise Tax Act* (Canada), an amount equal to thirteen (13%) percent of the Purchase Price, or such rate due and owing at the time of Closing.

17. Closing

Closing shall take place on the date which is fifteen (15) Business Days following the later of the granting of the Approval and Vesting Order, or such other date as the parties or their respective solicitors may mutually agree upon in writing (the "**Closing Date**"). Each party covenants and agrees to proceed expeditiously to complete the transaction of purchase and sale contemplated herein ("**Closing**"). If, prior to the Closing, the Approval and Vesting Order shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the transaction under this Agreement, then the Closing Date may be extended by the Vendor or the Purchaser, in which case the Closing Date shall mean the day that is fifteen (15) Business Days after the date on which any such appeals and/or proceedings are dismissed.

The Vendor and the Purchaser acknowledge that the Teraview Electronic Registration System ("**TERS**") is operative and mandatory in the Land Titles Division for the Land Registry Office of York Region (No. 65). The Purchaser and Vendor shall each retain legal counsel who are authorized TERS users and who are in good standing with The Law Society of Upper Canada. The Vendor and Purchaser shall each authorize their respective legal counsel to enter into a document registration agreement in the form as adopted by the joint LSUC-CBAO Committee of documents and closing funds and the release thereof to the Vendor and Purchaser, as the case may be:

- (a) shall not occur contemporaneously with the registration of the Transfer/Deed of Land or Application to Register the Approval and Vesting Order, and Receiver's certificate required by the Approval and Vesting Order (and other registerable documentation, if any) to be registered by the Purchaser's solicitor; and,
- (b) shall be governed by the document registration agreement pursuant to which legal counsel receiving any documents or funds will be required to hold same in escrow and will not be entitled to release except in strict accordance with provisions of the document registration agreement and the Purchaser shall be required to deliver the balance due on closing on the Closing Date to the Vendor's solicitors, to be held in escrow by them, whereupon the Vendor's solicitors shall after payment forthwith attend to have the signed Receiver's Certificate filed with the Court, which signed and entered Receiver's Certificate and Approval and Vesting Order shall form part of the Application to Register the Approval and Vesting Order, and which shall be delivered by the Vendor's solicitors to the Purchaser's solicitors for immediate registration by the Purchaser's solicitors. Upon registration of the Application to Register the Approval and Vesting Order, the Vendor shall release possession of the Property to the Purchaser and the balance due on closing shall be released from escrow.

18. Vendor's Closing Deliveries

The Vendor shall execute and deliver or cause to be executed and delivered to the Purchaser on the Closing Date, against payment of the Purchase Price, the following:

- (a) a statement of adjustments;
- (b) a direction for the payment of the balance of the Purchase Price due on Closing;
- (c) an undertaking by the Vendor to readjust all items on the statement of adjustments within forty-five (45) days from the date of Closing on written demand;
- (d) a certificate of the Vendor to the effect that it is not at the Closing Date a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act*;
- (e) a copy of the Approval and Vesting Order;
- (f) keys and combination lock codes that may be in the possession of the Vendor, if any;
- (g) copies of all Material Documents, if not already in the possession of the Purchaser; and
- (h) any other documents relative to the completion of this Agreement as may reasonably be required by the Purchaser or its solicitors.

19. Purchaser's Closing Deliveries

The Purchaser shall execute and deliver to the Vendor on the Closing Date the following:

- (a) wire transfer for the balance of the Purchase Price and any other monies required to be paid by the Purchaser pursuant to the Agreement, or the adjustments, including all applicable federal and provincial taxes, duties and registration fees unless the applicable exemption certificates in a form acceptable to the Vendor are presented to the Vendor on or before the Closing Date to exempt the Purchaser therefrom;
- (b) all certificates, indemnities, declarations and other evidences contemplated hereby in form and content satisfactory to the Vendor's solicitors, acting reasonably;
- (c) an undertaking by the Purchaser to readjust all items on the statement of adjustments;
- (d) a notarial copy of its HST registration and HST certificate and indemnity as required pursuant to this Agreement; and
- (e) any other documents relative to the completion of this Agreement as may reasonably be required by the Vendor or its solicitors.

20. Inspection

Without limitation, all of the Property shall be as it exists on the Closing Date with no adjustments to be allowed to the Purchaser for changes in conditions or qualities from the date hereof to the Closing Date. The Purchaser acknowledges and agrees that the Vendor is not required to inspect the Property or any part thereof and the Purchaser shall be deemed, at its own expense to have relied entirely on its own inspection and investigation. The Purchaser acknowledges that no warranties or conditions, expressed or implied, pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.

21. Encroachments

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Property, if any, or encroachments of the Property onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting the Property.

22. Purchaser's Warranties

The Purchaser represents and warrants that:

- (a) it is a corporation duly incorporated, organized and subsisting under the laws of Canada, Ontario or another province of Canada;
- (b) it has the corporate power and authority to enter into and perform its obligations under the Agreement and all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of the Offer and resulting Agreement and the Offer has been duly executed and delivered by the Purchaser, and the resulting Agreement is enforceable against the Purchaser in accordance with its terms; and
- (c) it is not a non-Canadian for the purpose of the *Investment Canada Act* (Canada) and it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
- (d) neither the entering into nor the delivery of this Agreement nor the completion by the Purchaser of the transaction contemplated hereby will conflict with, or constitute a default under, or result in a violation of: (i) any of the provisions of the constating documents or by-laws of the Purchaser; or (ii) any applicable laws., and
- (e) the Purchaser: (i) is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada); (ii) has not made an assignment in favour of its creditors or a proposal to its creditors or any class thereof; (iii) has not had any application for a bankruptcy order filed or presented in respect

of it; and (iv) has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution.

23. Confidentiality

The Purchaser agrees that all information and documents supplied by the Vendor or anyone on its behalf to the Purchaser or anyone on the Purchaser's behalf (including but not limited to information in the schedules hereto) shall, unless and until Closing occurs, be received and kept by the Purchaser and anyone acting on the Purchaser's behalf on a confidential basis and shall not without the Vendor's prior written consent be disclosed to any third party. If for any reason Closing does not occur, all such documents (including without limitation, the Material Documents) shall forthwith be returned intact to the Vendor and no copies or details thereof shall be retained by the Purchaser or anyone acting on its behalf. The Purchaser further agrees that the Purchaser shall keep the terms of this Offer and Agreement confidential and shall not disclose the same to anyone except the Purchaser's solicitors, agents or lenders acting in connection herewith and then only on the basis that such persons also keep such terms confidential as aforesaid.

24. Indemnification

The Purchaser shall indemnify and save harmless the Vendor and its directors, officers, employees and agents (collectively, the "**Indemnitees**") from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the operations of the Purchaser on the Property or any order, notice, directive, or requirement under, or breaches, violations or non-compliance with any Environmental Laws after the Closing Date or as a result of the disposal, storage, release or threat of release or spill on or about the Property of any Hazardous Substance after the Closing Date. The obligation of the Purchaser hereunder shall survive the Closing Date.

The Purchaser shall indemnify the Vendor and save harmless the Indemnitees from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the failure of the Purchaser to pay any taxes, duties, fees and like charges exigible in connection with the Offer or Agreement. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining, any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Property.

25. Release

The Purchaser agrees to release and discharge the Vendor together with its officers, employees, agents and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Substance relating to the Property. The Purchaser

further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor to clean up or remove or pay for the cleanup or removal of any Hazardous Substance, remediate any condition or matter in, on, under or in the vicinity of the Property or seek an abatement in the Purchase Price or damages in connection with any Hazardous Substance. This provision shall not expire with, or be terminated or extinguished by or merged in the Closing of the transaction of purchase and sale, contemplated by this Offer and the Agreement, and shall survive the termination of this Offer and the Agreement for any reason or cause whatsoever and the closing of this transaction.

26. Commission

The Vendor represents and warrants that other than the Listing Broker, the Vendor has not retained any agent in regard to the sale of the Property to the Purchaser. The Purchaser agrees that it shall be responsible for paying any commission or other remuneration payable to any agent retained by the Purchaser in connection with its purchase of the Property and the Purchaser agrees to indemnify and save harmless the Vendor from and against any claim for such commission or other remuneration.

27. Non-Registration

The Purchaser hereby covenants and agrees not to register this Offer or the Agreement or notice of this Offer or the Agreement or a caution, certificate of pending litigation, or any other document providing evidence of this Offer or the Agreement against title to the Property. Should the Purchaser be in default of its obligations under this Section, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Offer or the Agreement, caution, certificate of pending litigation or other document providing evidence of this Offer or the Agreement or any assignment of this Offer or the Agreement from the title to the Property. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Offer or the Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property.

28. Assignment

The Purchaser shall not have the right to assign its rights under this Agreement without the Vendor's prior written consent, which consent may be unreasonably withheld. If the Vendor consents to such an assignment by the Purchaser, the Purchaser shall not be relieved of any of its obligations under this Offer and Agreement, including but not limited to the obligation to pay the Purchase Price to the Vendor.

29. Notices

Any notice to be given or document to be delivered to the parties pursuant to this Agreement shall be sufficient if delivered personally or sent by email or sent by facsimile or mailed by prepaid registered mail at the following addresses:

To Vendor:

Alvarez & Marsal Canada Inc.
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1

Attention: Stephen Ferguson
Email: sferguson@alvarezandmarsal.com

Attention: Nate Fennema
Email: nfennema@alvarezandmarsal.com

with a copy to (which shall not constitute notice):

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto ON M5M 2X2

Attention: George Benchetrit
Email: george@chaitons.com

and in the case of a notice to the Purchaser, to:

Amercan Corp.
980 Yonge Street, Suite 1001,
Toronto, ON M4W 3V8

Attention: Fansey Wang
Email: fanseywang@gmail.com

with a copy to the Purchaser's solicitors (which shall not constitute notice):

Gowling WLG (Canada) LLP
1 First Canadian Place
100 King Street West,
Toronto, Ontario M5X 1G5

Attention: Susan D. Rosen and Nick Kluge
Email: susan.rosen@gowlingwlg.com Nicholas.Kluge@ca.gowlingwlg.com

Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or sent by email or sent by facsimile or, if mailed, three (3) Business Days after the deposit with the post office.

30. Entire Agreement

The Agreement shall constitute the entire agreement between the parties to it pertaining to the subject matter thereof and shall supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there shall be no agreements or understandings between the parties in connection with the subject matter thereof except as specifically set forth herein. No party hereto has relied on any express or implied representation, written or oral, of any individual or entity as an inducement to enter into the Agreement.

31. Amendment

No supplement, modification, waiver or termination of the Agreement shall be binding, unless executed in writing by the parties to be bound thereby, provided that the time provided for doing any matter or thing contemplated herein may be abridged or extended by written agreement, in letter form or otherwise, executed by the duly authorized solicitors for the parties.

32. Time of Essence

Time shall be of the essence in this Agreement in all respects and any waiver of any time provision shall not be effective unless in writing and signed by both parties.

33. Binding Agreement

This Offer, when accepted, shall constitute a binding agreement of purchase and sale subject to its terms. It is agreed that there is no representation, warranty, collateral agreement or condition affecting the Agreement or the Property supported hereby other than as expressed herein in writing.

34. Governing Law

This Offer and the Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

35. Gender, Interpretive Matters

This Offer and the Agreement shall be read with all changes of gender or number required by the context. The titles to provisions do not form part of this Offer or the Agreement and are inserted

for reference purposes only. Preparation and submission of the form of this Offer or any other material by the Vendor shall not constitute an offer to sell.

36. Severability

Any provision of this Agreement which is determined to be void, prohibited or unenforceable shall be severable to the extent of such avoidance, prohibition or unenforceability without invalidating or otherwise limiting or impairing the other provisions of this Agreement.

37. Non-Merger

The provisions of this Agreement (including, without limitation, the representations and warranties of the Purchaser), shall survive Closing and shall not merge in the Approval and Vesting Order or in any other documents delivered hereunder.

38. Counterparts

The parties hereto agree that this Agreement may be executed in counterparts and by facsimile transmission and each such counterpart so executed by facsimile transmission shall be deemed to be an original and when taken together shall constitute as one and the same Agreement.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF the Purchaser has executed this Offer this 22nd day of April, 2022.

PURCHASER: AMERICAN CORP.

DocuSigned by:

By: 14670F1160DF4B2...
Name: **Fanseay Wang**
Title: **Director**
I have authority to bind the corporation.

Subject to the approval of the Court, the undersigned hereby accepts the foregoing Offer this 22 day of April, 2022.

ALVAREZ & MARSAL CANADA INC.
in its capacity as court-appointed Receiver of all
of the Debtor's assets, undertakings and properties
and not in its personal or corporate capacity

By: 
Name: **Stephen Ferguson**
Title: **Senior Vice President**
I have authority to bind the corporation.

SCHEDULE "A"

<i>PIN</i> <i>Description</i> <i>Address</i>	03196 - 0072 LT PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING AS IN R504810 8 BOSTWICK CR RICHMOND HILL
<i>PIN</i> <i>Description</i> <i>Address</i>	03196 - 0073 LT PT LT 63 PL 136 KING AS IN R209240 10 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i> <i>Description</i> <i>Address</i>	03196 - 0074 LT PT LT 64 PL 136 KING AS IN R530013 12 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i> <i>Description</i> <i>Address</i>	03196 - 0075 LT PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345 14 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i> <i>Description</i> <i>Address</i>	03196 - 0076 LT PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN R135070 8 BOND CRESCENT RICHMOND HILL
<i>PIN</i> <i>Description</i> <i>Address</i>	03196 - 0077 LT PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B 6 BOND CRESCENT RICHMOND HILL
<i>PIN</i> <i>Description</i> <i>Address</i>	03196 - 0078 LT PT LT 66 PL 136 KING AS IN R690041 16 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i> <i>Description</i> <i>Address</i>	03196 - 0079 LT PT LT 67 PL 136 KING AS IN R601987 18 BOSTWICK CRESCENT RICHMOND HILL
<i>PIN</i> <i>Description</i> <i>Address</i>	03196 - 0080 LT PT LT 67 PL 136 KING AS IN KI22033 EXCEPT R135070, B54438B, & R601987 2 BOND CRESCENT RICHMOND HILL

SCHEDULE "B"**REGISTRATIONS TO BE DELETED**

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
1.	YR2830041	2018/05/04	Charge	Feature Corp	All PINs
2.	YR2830046	2018/05/04	No Assgn Rent Gen	Feature Corp	All PINs
3.	YR2901113	2019/11/23	Notice	Feature Corp	All PINs
4.	YR2944756	2019/03/29	Charge	Feature Corp	All PINs
5.	YR2944763	2019/03/29	No Assgn Rent Gen	Feature Corp	All PINs
6.	YR3001386	2019/08/28	Notice	Feature Corp	All PINs
7.	YR3001387	2019/08/28	Notice	Feature Corp	All PINs
8.	YR3002006	2019/08/29	Postponement	Feature Corp to Amercan Corp	All PINs
9.	YR3002007	2019/08/29	Postponement	Feature Corp to Amercan Corp	All PINs
10.	YR3142297	2020/09/18	Apl Ch Name Owner	Ideal (BC) Developments Inc.	All PINs except 03196- 0072, 03196- 0073, 03196- 0074, and 03196-0075,
11.	YR3162185	2020/10/30	Charge	C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs
12.	YR3162186	2020/10/30	No Assgn Rent Gen	C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
13.	YR3163005	2020/10/30	Postponement	Feature Corp in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs
14.	YR3163006	2020/10/30	Postponement	Feature Corp in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs
15.	YR3163010	2020/10/30	Postponement	Fiera FP Real Estate Financing Fund, L.P. in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs
16.	YR3163171	2020/10/30	Charge	Feature Corp.	All PINs
17.	YR3163197	2020/10/30	No Assgn Rent Gen	Feature Corp.	All PINs
18.	YR3163198	2020/10/30	Charge	Feature Corp.	All PINs
19.	YR3163219	2020/10/30	No Assgn Rent Gen	Feature Corp.	All PINs
20.	YR3168055	2020/11/12	Postponement	Feature Corp in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company	All PINs
21.	YR3358639	2021/12/20	Apl Court Order	Alvarez & Marsal Canada Inc.	All PINs

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
22.	Writ – 21-0001648	2021/08/30	Court File No. CV-19- 00614363- 000	MarshallZehr Group Inc.	All PINs – filed against, <i>inter alia</i> , Ideal (BC) Developments Inc.

Reference to ALL PINs means the following PINs:

Municipal Addresses	PINs
8 Bostwick Road	03196-0072(LT)
10 Bostwick Road	03196-0073(LT)
12 Bostwick Road	03196-0074(LT)
14 Bostwick Road	03196-0075(LT)
6 Bond Crescent	03196-0077(LT)
16 Bostwick Road	03196-0078(LT)
2 Bond Crescent	03196-0080(LT)
8 Bond Crescent	03196-0076(LT)
18 Bostwick Road	03196-0079(LT)

SCHEDULE "C"
OTHER PERMITTED REGISTRATIONS

No.	Registration No.	Registration Date	Instrument Type	Parties To	PIN
1.	IF351	1951/02/19	Bylaw		All PINs
2.	IF367	1952/04/28	Bylaw	The Corporation of the Township of King	All PINs
3.	YR3002005	2019/08/29	Charge	Amercan Corporation	All PINs
4.	YR2226826	2021/11/03	Charge	Amercan Corporation	All PINs

TAB 3

Revised: January 21, 2014

Court File No. ~~—~~CV-21-00672848-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ~~—~~MADAM) ~~WEEKDAY~~TUESDAY, THE #3RD
JUSTICE ~~—~~GILMOUR)
DAY OF ~~MONTH~~MAY, ~~20YR~~2022

B E T W E E N:

PLAINTIFF

Plaintiff

C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY

Applicants

- and ~~—~~
DEFENDANT

Defendant

IDEAL (BC) DEVELOPMENTS INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~Ideal (BC) Developments Inc. (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an ~~agreement of purchase and sale~~Offer

to Purchase (the ~~"Sale Agreement"~~) between the Receiver and ~~[NAME OF PURCHASER]~~ Amercan Corporation (the ~~"Purchaser"~~) dated ~~[DATE]~~ April 1, 2022 and appended as a Confidential Appendix to the Second Report of the Receiver dated ~~[DATE]~~ April 1, 2022 (the ~~"Second Report"~~), and vesting in the Purchaser the Debtor's right, title and interest in and to the ~~assets~~ lands and premises located at 2, 6, and 8 Bond Crescent and 8, 10, 12, 14, 16, and 18 Bostwick Crescent, Richmond Hill, Ontario and legally described in the Sale Agreement (the "Purchased Assets" Schedule "A" hereto (the "Real Property")), was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by video conference due to the COVID 19 crisis.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver, 1 [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~ Amy Casella sworn April 1, 2022 [DATE] filed¹:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ 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~~ Real Property 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 "B" hereto (the ~~"Receiver's Certificate"~~), ~~all of the Debtor's right, title and interest in and to the Purchased~~

¹ ~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

² ~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³ ~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

~~Assets described in the Sale Agreement [and listed on Schedule B hereto]~~⁴Real 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"~~⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~Cavanagh dated ~~[DATE]~~December 17, 2021; (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~~Real Property are hereby expunged and discharged as against the ~~Purchased Assets~~Real Property.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver]~~Land Titles Division of {LOCATION} York Region No. 65 of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the ~~subject real property identified in Schedule B hereto (the "Real Property")~~ in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the ~~Claims~~Encumbrances listed in Schedule ~~"C"~~ hereto.

⁴ ~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

⁵ ~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

⁶ ~~Select the language appropriate to the land registry system (Registry vs. Land Titles).~~

4. THIS COURT ORDERS that the Receiver or Purchaser with the prior written consent of the Receiver shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

5. THIS COURT ORDERS that, without in any way limiting the efficacy of paragraph 2 of this Order, the Purchaser shall not assume or be deemed to have assumed any obligations in respect of or arising out of any agreements of purchase and sale entered into by the Debtor (“Unit Sale Agreements”) prior to the Receivership Order of Justice Cavanagh dated December 17, 2021, the Purchaser has not assumed or been assigned any rights in respect of or arising out of any Unit Sale Agreements, and no party to any Unit Sale Agreement shall have any right, interest or claim arising out of any Unit Sale Agreement as against the Real Property or the Purchaser.

6. 4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the ~~Purchased-Assets~~Real Property shall stand in the place and stead of the ~~Purchased-Assets~~Real Property, 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~~Real Property with the same priority as they had with respect to the ~~Purchased-Assets~~Real Property immediately prior to the sale⁸, as if the ~~Purchased-Assets~~Real Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. 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, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted~~

⁷ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

~~to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

8. ~~7.~~ **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~~Real Property 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 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.

~~8. — THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

9. **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.

Schedule "A" – Real Property

<u>PIN</u>	03196 - 0072 LT
<u>Description</u>	PT LT 1 PL 136 KING; PT LT 62 PL 136 KING; PT LT 63 PL 136 KING AS IN R504810
<u>Address</u>	8 BOSTWICK CR RICHMOND HILL
<u>PIN</u>	03196 - 0073 LT
<u>Description</u>	PT LT 63 PL 136 KING AS IN R209240
<u>Address</u>	10 BOSTWICK CRESCENT RICHMOND HILL
<u>PIN</u>	03196 - 0074 LT
<u>Description</u>	PT LT 64 PL 136 KING AS IN R530013
<u>Address</u>	12 BOSTWICK CRESCENT RICHMOND HILL
<u>PIN</u>	03196 - 0075 LT
<u>Description</u>	PT LT 64 PL 136 KING; PT LT 65 PL 136 KING AS IN R406345
<u>Address</u>	14 BOSTWICK CRESCENT RICHMOND HILL
<u>PIN</u>	03196 - 0076 LT
<u>Description</u>	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN R135070
<u>Address</u>	8 BOND CRESCENT RICHMOND HILL
<u>PIN</u>	03196 - 0077 LT
<u>Description</u>	PT LT 66 PL 136 KING; PT LT 67 PL 136 KING AS IN B54438B
<u>Address</u>	6 BOND CRESCENT RICHMOND HILL
<u>PIN</u>	03196 - 0078 LT
<u>Description</u>	PT LT 66 PL 136 KING AS IN R690041
<u>Address</u>	16 BOSTWICK CRESCENT RICHMOND HILL
<u>PIN</u>	03196 - 0079 LT
<u>Description</u>	PT LT 67 PL 136 KING AS IN R601987
<u>Address</u>	18 BOSTWICK CRESCENT RICHMOND HILL
<u>PIN</u>	03196 - 0080 LT
<u>Description</u>	PT LT 67 PL 136 KING AS IN KI22033 EXCEPT R135070, B54438B, & R601987
<u>Address</u>	2 BOND CRESCENT RICHMOND HILL

Schedule "B" – Form of Receiver's Certificate

Court File No. CV-21-00672848-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

PLAINTIFF

Plaintiff

C&K MORTGAGE SERVICE INC.
and CANADIAN WESTERN TRUST COMPANY

Applicants

- and -
DEFENDANT

Defendant

IDEAL (BC) DEVELOPMENTS INC.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Justice Cavanagh of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ December 17, 2021, Alvarez & Marsal Canada Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ Ideal (BC) Developments Inc. (the **"Debtor"**).

B. Pursuant to an Order of the Court dated ~~[DATE]~~ May 3, 2022 (**"Approval and Vesting Order"**), the Court approved the ~~agreement of purchase and sale~~ Offer to Purchase made as of

~~[DATE OF AGREEMENT]~~ April 9, 2022 (the ~~"Sale Agreement"~~) between the Receiver ~~[Debtor]~~ and ~~[NAME OF PURCHASER]~~ American Corporation (the ~~"Purchaser"~~) and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the ~~Purchased Assets~~ Real Property, which vesting is to be effective with respect to the ~~Purchased Assets~~ Real Property upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the ~~Purchased Assets~~ Real Property; (ii) that the conditions to Closing as set out in ~~section 4 of~~ the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the ~~Sale Agreement~~ Approval and Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the ~~Purchased Assets~~ Real Property payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in ~~section 4 of~~ the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ ~~[TIME]~~ on ~~9~~ 9 ~~[DATE]~~ April, 2022.

~~[NAME OF RECEIVER]~~ ALVAREZ & MARSAL CANADA INC., solely in its capacity as Court-Appointed Receiver ~~of the undertaking, property and assets~~ Manager of ~~[DEBTOR]~~ Ideal (BC) Developments Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule ~~B~~ ~~Purchased Assets~~

Schedule "C" – ~~Claims~~ Encumbrances to be deleted and expunged from title to Real Property

<u>No.</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Instrument Type</u>	<u>Parties To</u>	<u>PIN</u>
<u>1.</u>	<u>YR2830041</u>	<u>2018/05/04</u>	<u>Charge</u>	<u>Feature Corp</u>	<u>All PINs</u>
<u>2.</u>	<u>YR2830046</u>	<u>2018/05/04</u>	<u>No Assgn Rent Gen</u>	<u>Feature Corp</u>	<u>All PINs</u>
<u>3.</u>	<u>YR2901113</u>	<u>2019/11/23</u>	<u>Notice</u>	<u>Feature Corp</u>	<u>All PINs</u>
<u>4.</u>	<u>YR2944756</u>	<u>2019/03/29</u>	<u>Charge</u>	<u>Feature Corp</u>	<u>All PINs</u>
<u>5.</u>	<u>YR2944763</u>	<u>2019/03/29</u>	<u>No Assgn Rent Gen</u>	<u>Feature Corp</u>	<u>All PINs</u>
<u>6.</u>	<u>YR3001386</u>	<u>2019/08/28</u>	<u>Notice</u>	<u>Feature Corp</u>	<u>All PINs</u>
<u>7.</u>	<u>YR3001387</u>	<u>2019/08/28</u>	<u>Notice</u>	<u>Feature Corp</u>	<u>All PINs</u>
<u>8.</u>	<u>YR3002006</u>	<u>2019/08/29</u>	<u>Postponement</u>	<u>Feature Corp to American Corp</u>	<u>All PINs</u>
<u>9.</u>	<u>YR3002007</u>	<u>2019/08/29</u>	<u>Postponement</u>	<u>Feature Corp to American Corp</u>	<u>All PINs</u>
<u>10.</u>	<u>YR3142297</u>	<u>2020/09/18</u>	<u>Apl Ch Name Owner</u>	<u>Ideal (BC) Developments Inc.</u>	<u>All PINs except 03196-0072, 03196-0073, 03196-0074, and 03196-0075,</u>
<u>11.</u>	<u>YR3162185</u>	<u>2020/10/30</u>	<u>Charge</u>	<u>C & K Mortgage Services Inc. and Canadian Western Trust Company</u>	<u>All PINs</u>
<u>12.</u>	<u>YR3162186</u>	<u>2020/10/30</u>	<u>No Assgn Rent Gen</u>	<u>C & K Mortgage Services Inc. and Canadian Western Trust Company</u>	<u>All PINs</u>
<u>13.</u>	<u>YR3163005</u>	<u>2020/10/30</u>	<u>Postponement</u>	<u>Feature Corp in favour of C & K Mortgage Services Inc.</u>	<u>All PINs</u>

<u>No.</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Instrument Type</u>	<u>Parties To</u>	<u>PIN</u>
				and Canadian Western Trust Company	
<u>14.</u>	<u>YR3163006</u>	<u>2020/10/30</u>	<u>Postponement</u>	<u>Feature Corp in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company</u>	<u>All PINs</u>
<u>15.</u>	<u>YR3163010</u>	<u>2020/10/30</u>	<u>Postponement</u>	<u>Fiera FP Real Estate Financing Fund, L.P. in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company</u>	<u>All PINs</u>
<u>16.</u>	<u>YR3163171</u>	<u>2020/10/30</u>	<u>Charge</u>	<u>Feature Corp.</u>	<u>All PINs</u>
<u>17.</u>	<u>YR3163197</u>	<u>2020/10/30</u>	<u>No Assgn Rent Gen</u>	<u>Feature Corp.</u>	<u>All PINs</u>
<u>18.</u>	<u>YR3163198</u>	<u>2020/10/30</u>	<u>Charge</u>	<u>Feature Corp.</u>	<u>All PINs</u>
<u>19.</u>	<u>YR3163219</u>	<u>2020/10/30</u>	<u>No Assgn Rent Gen</u>	<u>Feature Corp.</u>	<u>All PINs</u>
<u>20.</u>	<u>YR3168055</u>	<u>2020/11/12</u>	<u>Postponement</u>	<u>Feature Corp in favour of C & K Mortgage Services Inc. and Canadian Western Trust Company</u>	<u>All PINs</u>
<u>21.</u>	<u>YR3358639</u>	<u>2021/12/20</u>	<u>Apl Court Order</u>	<u>Alvarez & Marsal Canada Inc.</u>	<u>All PINs</u>
<u>22.</u>	<u>Writ – 21-0001648</u>	<u>2021/08/30</u>	<u>Court File No. CV-19-00614 363-000</u>	<u>MarshallZehr Group Inc.</u>	<u>All PINs – filed against, inter alia, Ideal (BC) Developments Inc.</u>

Reference to ALL PINs means the following PINs:

<u>Municipal Addresses</u>	<u>PINs</u>
<u>8 Bostwick Road</u>	<u>03196-0072(LT)</u>
<u>10 Bostwick Road</u>	<u>03196-0073(LT)</u>
<u>12 Bostwick Road</u>	<u>03196-0074(LT)</u>
<u>14 Bostwick Road</u>	<u>03196-0075(LT)</u>
<u>6 Bond Crescent</u>	<u>03196-0077(LT)</u>
<u>16 Bostwick Road</u>	<u>03196-0078(LT)</u>
<u>2 Bond Crescent</u>	<u>03196-0080(LT)</u>
<u>8 Bond Crescent</u>	<u>03196-0076(LT)</u>
<u>18 Bostwick Road</u>	<u>03196-0079(LT)</u>

**Schedule “D” – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Any reservations, restrictions, rights of way, easements or covenants that run with the land;
2. Any registered agreements with a municipality, region or supplier of utility service including, without limitations, electricity, water, sewage, gas, telephone or cable television or other telecommunication services;
3. All laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Property;
4. Any minor easements for the supply of utility services or other services to the Lands or Buildings, if any, or adjacent properties;
5. Encroachments disclosed by any error or omission in existing surveys of the Lands or neighbouring properties and any title defects, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the Lands and survey of the Lands and survey matters generally;
6. The exceptions and qualifications set forth in the *Registry Act* (Ontario) or the *Land Titles Act* (Ontario), or amendments thereto;
7. Any reservation(s) contained in the original grant from Crown;
8. Subsection 44(1) of the *Land Titles Act* (Ontario) except paragraphs 11 and 14.
9. Provincial succession duties and escheats or forfeiture to the Crown;
10. The rights of any person who would, but for the *Land Titles Act* (Ontario) be entitled to the Lands or any part of it through length of adverse possession, prescription, misdescription or boundaries settled by convention;
11. Any lease to which subsection 70(2) of the *Registry Act* (Ontario) applies; and

12. The following instruments registered on title to the Premises:

<u>No.</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Instrument Type</u>	<u>Parties To</u>	<u>PIN</u>
<u>1.</u>	<u>IF351</u>	<u>1951/02/19</u>	<u>Bylaw</u>		<u>All PINs</u>
<u>2.</u>	<u>IF367</u>	<u>1952/04/28</u>	<u>Bylaw</u>	<u>The Corporation of the Township of King</u>	<u>All PINs</u>
<u>3.</u>	<u>YR3002005</u>	<u>2019/08/29</u>	<u>Charge</u>	<u>Amercan Corporation</u>	<u>All PINs</u>
<u>4.</u>	<u>YR2226826</u>	<u>2021/11/03</u>	<u>Charge</u>	<u>Amercan Corporation</u>	<u>All PINs</u>

Document comparison by Workshare Compare on Monday, April 25, 2022
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Input:	
Document 1 ID	file:///C:/Users/George/OneDrive - Chaitons LLP/Chaitons/Model Orders/Model Approval and Vesting Order 2014.doc
Description	Model Approval and Vesting Order 2014
Document 2 ID	iManage:///chaitonsllp-mobility-ca.imanage.work/CHAITON SDM/10201634/2
Description	#10201634v2<chaitonsllp-mobility-ca.imanage.work> - Draft Approval and Vesting Order - Ideal (BC) Developments
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	388
Deletions	134
Moved from	0
Moved to	0
Style changes	0
Format changes	0

Total changes	522
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C&K MORTGAGE SERVICE INC. et al
Applicants

-and-

IDEAL (BC) DEVELOPMENTS INC.
Respondent

Court File No. CV-21-00672848-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at TORONTO

MOTION RECORD
(RETURNABLE MAY 3, 2022)

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its capacity as Court-Appointed Receiver**