

TAB 13

Court File No. CV-16-11409-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)

TUESDAY, THE 2nd

MR. JUSTICE NEWBOULD)

DAY OF MAY, 2017

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

**URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.,
URBANCORP (RIVERDALE) DEVELOPMENTS INC., &
URBANCORP (THE BEACH) DEVELOPMENTS INC.**

Respondents

APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, section 68 of the *Construction Lien Act*, R.S.O. 1990,
c. C.30, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**SETTLEMENT APPROVAL ORDER
(RE: LESLIEVILLE PROJECT)**

THIS MOTION, made by Alvarez & Marsal Canada Inc. (“**A&M**”), in its capacity as receiver and manager (in such capacity, the “**Receiver**”), pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (“**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended, and in its capacity as construction lien trustee (in such capacity, the “**Construction Lien Trustee**”), pursuant to section 68 of the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended (“**CLA**”) (the Receiver, together with the Construction Lien Trustee, the “**Construction Receiver**”), of all of the assets, undertakings, and property acquired for, or used in relation to the business, including all proceeds thereof (the “**Property**”) of Urbancorp (Leslieville) Developments Inc. (“**UC Leslieville**”), Urbancorp

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(Riverdale) Developments Inc. ("**UC Riverdale**") and Urbancorp (The Beach) Developments Inc. ("**UC Beach**", together with UC Riverdale, and UC Leslieville, the "**Debtors**"), for an order approving various agreements and arrangements in order to give effect to a proposed settlement amongst the Syndicate, Terra Firma, Craft, and the Ad Hoc Leslieville Purchasers (each as defined in **Schedule "A"** hereto, and collectively, the "**Settlement Parties**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the second report of the Construction Receiver dated April 21, 2017 (the "**Second Report**") and on hearing the submissions of counsel for the Construction Receiver, the Syndicate, Terra Firma, Craft, the Ad Hoc Leslieville Purchasers, Tarion, and Travelers, and the counsel on the counsel slip, attached, no one else appearing for any other person on the service list although properly served as appears from the affidavit of service of Kelly Peters sworn April 28, 2017, filed,

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms shall have the meanings given to them in **Schedule "A"** hereto.

CONDITION PRECEDENT TO THIS ORDER

2. **THIS COURT ORDERS** that this Order will only become effective upon the filing by the Construction Receiver with the Court of a certificate confirming the satisfaction or waiver by the Settlement Parties of the Opt-In Threshold no later than two Business Days after the Ultimate Rescission Bar Date, or such later date as may be agreed to by the Settlement Parties. The date of the filing of such certificate shall be the Effective Date.

AUTHORITY TO ENTER INTO AGREEMENTS AND DOCUMENTS FOR AND ON BEHALF OF UC LESLIEVILLE

3. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized to execute such agreements authorized by paragraphs 4, 8, 10, 25, 26, 27, 28, 31 and 41 of this Order in the name of and for and on behalf of UC Leslieville, and not in its personal or corporate

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capacity, and shall be without any liability on the part of the Construction Receiver or its directors, officers, agents and employees.

SALE OF UNITS TO OPT-IN LESLIEVILLE PURCHASERS

4. **THIS COURT ORDERS AND DECLARES** that each sale transaction contemplated by each New APS to be entered into between UC Leslieville and an Opt-In Leslieville Purchaser (each such transaction, a “**New APS Transaction**”) is hereby approved, with such non-material amendments as the Construction Receiver may deem necessary or desirable. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable for the completion of each New APS Transaction and for the conveyance of the applicable Unit to the applicable Opt-In Leslieville Purchaser.

OPT-IN LESLIEVILLE PURCHASERS’ PREMIUM CHARGE

5. **THIS COURT ORDERS** that each Opt-In Leslieville Purchaser shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Purchasers’ Premium Charge**”) on the Leslieville Project as security for the reimbursement of the amount of the Premium paid by such Opt-In Leslieville Purchaser pursuant to its New APS. The Purchasers’ Premium Charge shall have the priority set out in paragraph 49 hereof.

SALE OF UNSOLD UNITS TO NEW PURCHASERS

6. **THIS COURT ORDERS** that Craft is hereby authorized to market each Unit that is not otherwise sold to an Opt-In Leslieville Purchaser (each, an “**Unsold Unit**”) pursuant to the Marketing Plan approved by the Construction Receiver, the Syndicate, and Terra Firma in accordance with the Craft Development Contract or as otherwise approved by the Court.

7. **THIS COURT ORDERS** that the form of Standard Form Sale Agreement to be offered to prospective purchasers of Unsold Units is hereby approved, with such non-material amendments as the Construction Receiver may deem necessary or desirable (including, without limitation, additional provisions relating to any non-resident or foreign purchaser taxes as may be

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introduced after the date hereof), provided that the purchase price for an Unsold Unit shall be not less than the Minimum Unit Price.

8. **THIS COURT ORDERS AND DECLARES** that each sale transaction contemplated by each Standard Form Sale Agreement to be entered into between UC Leslieville and a New Leslieville Purchaser (each such transaction, a “**Subsequent Sale Transaction**”) is hereby approved, and the execution of the Standard Form Sale Agreement by the Construction Receiver is hereby authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable for the completion of each Subsequent Sale Transaction and for the conveyance of the applicable Unsold Unit to each New Leslieville Purchaser, including for greater certainty, the Tarion Addendum and the Disclosure Documentation (as approved pursuant to the Purchaser Package Approval Order).

FUNDING FAILURE

9. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in the New APS or Standard Form Sale Agreement (including the Tarion Addendum), if at any time the Construction Receiver determines in its sole discretion that a Funding Failure has occurred then, provided that no Opt-In Purchaser or New Leslieville Purchaser has entered into occupancy of his/her Unit pursuant to the terms of his/her New APS or Standard Form Sale Agreement, as the case may be, the Construction Receiver is hereby authorized to deliver to each Opt-In Leslieville Purchaser and New Leslieville Purchaser a Funding Failure Notice, and upon the delivery of such Funding Failure Notice: (a) the authority of the Construction Receiver to execute each such New APS and Standard Form Sale Agreement is withdrawn and each such New APS and Standard Form Sale Agreement is hereby deemed terminated and null and void and of no force and effect as a result of the Funding Failure, and (b) the Construction Receiver shall only return (i) to each Opt-In Leslieville Purchaser, the New Deposit paid by such Opt-In Leslieville Purchaser, and (ii) to each New Leslieville Purchaser, all deposit monies paid by the New Leslieville Purchaser, in each case, together with any interest required by law, and no other amounts, and (c) the Opt-In Purchasers and the New Leslieville Purchasers shall have no claim

of any kind whatsoever against the Construction Receiver (in its personal capacity, corporate capacity or otherwise) as a result of a Funding Failure.

VESTING OF RESIDENTIAL UNITS

10. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and directed to deliver transfers/deeds in the form prescribed by the *Land Registration Reform Act* (but excluding the implied covenants thereunder) duly executed (or deemed to be executed through electronic signature) by the Construction Receiver (each a “**Transfer/Deed**”) with respect to each Unit to be conveyed pursuant to a New APS or a Standard Form Sale Agreement, as applicable, in favour of each Opt-In Leslieville Purchaser or New Leslieville Purchaser, as applicable.

11. **THIS COURT ORDERS AND DECLARES** that, upon the registration in the Land Titles Division of the Toronto Land Registry Office (No. 66) of each Transfer/Deed in respect of a Unit, all of UC Leslieville’s right, title and interest in and to the Unit described in the Transfer/Deed shall vest absolutely in the transferee named in such Transfer/Deed, 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 with respect to such Unit (including, without limitation, the claims of all Existing Leslieville Purchasers and Leslieville Assignors), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, encumbrances, title retention agreements, each and every Original Leslieville APS, judgments, adverse claims or interests, exceptions, reservations, easements, encroachments, servitudes, restrictions on use, any right of occupancy, any matter capable of registration against title, options, rights of first refusal or similar rights, rights of pre-emption or privilege or any contract creating any of the foregoing (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by this Order and the Order of Mr. Justice Newbould dated May 31, 2016; (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 “B”** hereto (all of which are collectively referred to as the “**Encumbrances**”).

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which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "C"** (the "**Permitted Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the applicable Unit referenced in a Transfer/Deed are hereby expunged and discharged as against such Unit.

12. **THIS COURT ORDERS** that, upon the registration in the Land Titles Division of the Toronto Land Registry Office (No. 66) of each Transfer/Deed in respect of a Unit, the Land Registrar is hereby directed to enter the transferee named in such Transfer/Deed as the owner of the Unit described in such Transfer/Deed in fee simple, and is hereby directed to delete and expunge from title to the Unit described in each such Transfer/Deed all of the Claims listed in **Schedule "B"** hereto, including such further Claims as may have arisen and/or been registered against title to such Unit as more particularly set out by way of solicitor's statement or affidavit annexed to such Transfer/Deed (as contemplated by **Schedule "B"**), and such solicitor's statement will also confirm, in respect of such Subsequent Sale Transactions, that the Minimum Unit Price has been satisfied.

REPUDIATION AND TERMINATION OF EACH ORIGINAL LESLIEVILLE APS

13. **THIS COURT ORDERS** that the Construction Receiver be and is hereby authorized to repudiate each and every Original Leslieville APS, without a requirement to deliver a written notice, with such repudiation to be effective (a) in respect of each Opt-Out Leslieville Purchaser and each Unpaid Leslieville Assignor, on the Effective Date, and (b) in respect of each Opt-In Leslieville Purchaser, on either (i) the date of the registration of the applicable Transfer/Deed on the closing of the applicable New APS Transaction, or (ii) the date of the termination of the New APS in accordance with its term or deemed termination of the New APS in accordance with paragraph 9 of this Order (each such date, a "**Repudiation Date**").

14. **THIS COURT ORDERS AND DECLARES** that as a result of the repudiation by the Construction Receiver pursuant to paragraph 13 of this Order, each Original Leslieville APS is not capable of performance and may be terminated by each Existing Leslieville Purchaser. Notice of the termination by each Existing Leslieville Purchaser of their Original Leslieville APS shall be deemed to be provided to the Construction Receiver on, and effective as of, the applicable Repudiation Date. Notwithstanding the termination of such Original Leslieville

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APS, any claim against Tarion or Travelers shall be dealt with in accordance with paragraphs 17 to 19 of this Order.

COMMISSIONS ON AN ORIGINAL LESLIEVILLE APS

15. **THIS COURT ORDERS AND DECLARES** that all Original Co-Operating Brokers shall have no claim, including without limitation a claim for fees or commissions, to any proceeds paid by an Opt-In Leslieville Purchaser on the closing of a New APS Transaction.

NON-RECOURSE AGAINST PROPERTY

16. **THIS COURT ORDERS AND DECLARES** that all Existing Leslieville Purchasers and Leslieville Assignors shall have no right, title, interest, claim or recourse as against any of the Property of the Debtors, and any such claim held by an Existing Leslieville Purchaser or a Leslieville Assignor against the Debtors shall be limited to (a) an unsecured claim against the estate of UC Leslieville, (b) a Tarion Deposit Claim, and (c) an Excess Deposit Insurance Claim, each to the extent available.

RECOURSE FOR DEPOSIT CLAIMS

17. **THIS COURT ORDERS** that any Tarion Deposit Claim or Excess Deposit Insurance Claim asserted against Tarion or Travelers, respectively, shall be dealt with in accordance with the terms of this Order.

18. **THIS COURT ORDERS AND DECLARES** that the following persons shall be authorized and permitted to assert, to the extent available, a Tarion Deposit Claim against Tarion and an Excess Deposit Insurance Claim against Travelers, in each case, only after the Repudiation Date of the applicable Original Leslieville APS as provided pursuant to paragraph 13 of this Order:

- (a) each Unpaid Leslieville Assignor;
- (b) each Opt-Out Leslieville Purchaser, but excluding a Non-Paying Leslieville Assignee; and

- (c) each Opt-In Leslieville Purchaser on the termination of such Opt-In Leslieville Purchaser's New APS as a result of a breach by UC Leslieville and not a breach or default by such Opt-In Leslieville Purchaser.

19. **THIS COURT ORDERS** that, notwithstanding any agreement to the contrary (including, without limitation, the terms of any assignment agreement between a Leslieville Assignee and its Leslieville Assignor):

- (a) each Paid-up Leslieville Assignor shall be forever estopped and enjoined from asserting a Tarion Deposit Claim and Excess Deposit Insurance Claim against Tarion and Travelers in respect of the applicable Original Leslieville APS, respectively; and
- (b) the recourse of each Paid-up Leslieville Assignee who: (i) opts out of the proposed settlement, or (ii) opts in but whose New APS does not close for any reason other than the breach or default of such Paid-Up Leslieville Assignee, in each case, as against each applicable Paid-Up Leslieville Assignor shall be limited to any amounts properly due and owing to such Paid-up Leslieville Assignee pursuant to the terms of the applicable assignment agreement that are not recovered from Tarion and Travelers, respectively.

The foregoing provisions of this paragraph 19 do not extend to Tarion Deposit Claims and Excess Deposit Insurance Claims by any Unpaid Leslieville Assignor or to any claims as between a Non-Paying Leslieville Assignee and its Unpaid Leslieville Assignor.

20. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and empowered to share information with Tarion and Travelers, including information with respect to Existing Leslieville Purchasers and Leslieville Assignors, as requested by Tarion and Travelers to assist in the administration and processing of Tarion Deposit Claims and Excess Deposit Insurance Claims as set out in this Order. Tarion and Travelers shall have the right to seek advice and directions with respect to the terms of this Order.

TARION CHARGE

21. **THIS COURT ORDERS** that Tarion shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Tarion Charge**”) on the Leslieville Project as security for its obligations under the ONHWPA to the Opt-In Leslieville Purchasers, New Leslieville Purchasers and the Condominium Corporation, provided that the Tarion Charge shall be limited to the Tarion Charge Amount at the time of any distribution of the Proceeds of Realization to Tarion pursuant to paragraph 55 hereof. The Tarion Charge shall have the priority set out in paragraph 49 hereof.

22. **THIS COURT ORDERS** that Tarion shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Tarion Residual Charge**”) on the Leslieville Project as further security for any of its obligations under the ONHWPA to the Opt-In Leslieville Purchasers, New Leslieville Purchasers and the Condominium Corporation, provided that the Tarion Residual Charge shall be limited to the Tarion Residual Reserve Amount at the time of any distribution of the Proceeds of Realization to Tarion pursuant to paragraph 55 hereof. The Tarion Charge shall have the priority set out in paragraph 49 hereof.

TRAVELERS EXCESS INSURANCE POLICY AND CASH COLLATERAL

23. **THIS COURT ORDERS AND DECLARES** that, subject to payment of the premiums thereunder, the Travelers Master Excess Claims Policy is in full force and effect notwithstanding this Receivership Proceeding.

24. **THIS COURT ORDERS** that, notwithstanding anything to the contrary contained in this Order, none of the Court Ordered Charges shall have priority over Travelers with respect to the Travelers Cash Collateral and that Travelers shall be entitled to exercise its rights and remedies against the Travelers Cash Collateral from time to time to satisfy outstanding Travelers Secured Obligations as they arise, including the payment of any outstanding premiums under the Travelers Master Excess Claims Policy. The Travelers Mortgage shall have the priority set out in paragraphs 52(d) and 55.

CRAFT CONSTRUCTION CONTRACT

25. **THIS COURT ORDERS AND DECLARES** that the Craft Construction Contract is hereby approved, and the execution and delivery of the Craft Construction Contract by the Construction Receiver is hereby ratified, authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable from time to time to give effect to the Craft Construction Contract, including without limitation, the entering into, and execution and delivery of, any non-material amendments to the Craft Construction Contract as the Construction Receiver may deem necessary or desirable.

ENGAGEMENT OF PROJECT MONITOR

26. **THIS COURT ORDERS AND DECLARES** that the Project Monitor Engagement is hereby approved, and the execution and delivery of the Project Monitor Engagement by the Construction Receiver is hereby authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable from time to time to give effect to the Project Monitor Engagement, including without limitation, the entering into, and execution and delivery of, any non-material amendments to the Project Monitor Engagement as the Construction Receiver may deem necessary or desirable.

CRAFT DEVELOPMENT CONTRACT

27. **THIS COURT ORDERS AND DECLARES** that the Craft Development Contract (which includes, without limitation, the requirement for the provision of the Craft Cash Collateral by Craft and the payment of interest thereon, and the payment of an Earned Management Fee, Deferred Management Fee and Craft Success Fee), is hereby approved and the execution and delivery of the Craft Development Contract by the Construction Receiver is hereby ratified, authorized and approved, with such non-material amendments as the Construction Receiver may deem necessary or desirable from time to time.

28. **THIS COURT ORDERS** the Construction Receiver is hereby authorized to take such additional steps and execute and deliver such additional documents contemplated by the Craft Development Contract, including without limitation, any and all necessary site plan and condominium applications, plan of subdivision applications, application for part lot control exemption by-laws, and other similar application and agreements in order for Craft to perform the Development Services pursuant to the Craft Development Contract.

29. **THIS COURT ORDERS** that Craft shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the "**Craft Deferred Management Fee Charge**") on the Leslieville Project as security for the payment of the Deferred Management Fee, provided such Deferred Management Fee is earned in accordance with the Craft Development Contract. The Craft Deferred Management Fee Charge shall have the priority set out in paragraph 49 hereof.

30. **THIS COURT ORDERS** that Craft shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the "**Craft Success Fee Charge**") on the Leslieville Project as security for the payment of the Craft Success Fee, provided such Craft Success Fee is earned in accordance with the Craft Development Contract. The Craft Success Fee Charge shall have the priority set out in paragraph 49 hereof.

VACANT LOT

31. **THIS COURT ORDERS** that, subject to the satisfaction of the Vacant Lot Conditions as set out in the Craft Development Contract, the Construction Receiver is hereby authorized and directed to execute and deliver a Transfer/Deed with respect to the Vacant Lot in favour of Craft or such transferee as designated by Craft in writing to the Construction Receiver.

32. **THIS COURT ORDERS AND DECLARES** that upon the registration in the Land Titles Division of the Toronto Land Registry Office (No. 66) of the Transfer/Deed in respect of the Vacant Lot, all of UC Leslieville's right, title and interest in and to the Vacant Lot as more particularly described in the Transfer/Deed shall vest absolutely in the transferee named in such Transfer/Deed, free and clear of and from any and all Encumbrances and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Vacant Lot are hereby expunged and discharged as against the Vacant Lot.

33. **THIS COURT ORDERS** that, upon the registration in the Land Titles Division of the Toronto Land Registry Office (No. 66) of a Transfer/Deed in respect of the Vacant Lot, the Land Registrar is hereby directed to enter the transferee named in any such Transfer/Deed as the owner of the Vacant Lot in fee simple, and is hereby directed to delete and expunge from title to the Vacant Lot as described in such Transfer/Deed, all of the Claims listed in **Schedule “B”** hereto, including such further Claims as may have arisen and/or been registered against title to the Vacant Lot as more particularly set out by way of solicitor’s statement or affidavit annexed to such Transfer/Deed (as contemplated by **Schedule “B”**).

GEO-THERMAL SYSTEM

34. **THIS COURT ORDERS** that Craft is hereby authorized to market the right to operate and, if legally available, the right to own the Geo-Thermal System (if repaired and commissioned in accordance with the Craft Construction Contract) (the “**Craft Collateral**”) pursuant to the Geo-Thermal System Marketing Process to be agreed to by the Construction Receiver and Craft or otherwise approved by the Court.

35. **THIS COURT ORDERS** that any proceeds arising from a transaction in respect of the Craft Collateral (the “**Geo-Thermal System Proceeds**”) shall be applied as follows:

- (a) first, to Craft in the aggregate amount of the Craft Geo-Thermal Costs, if any, and the Geo-Thermal Loan, if any; and
- (a) the balance, if any, to be added to Proceeds of Realization to be distributed pursuant to the Waterfall set out in paragraph 55 of this Order.

36. **THIS COURT ORDERS** that Craft, as security for the Craft Geo-Thermal Costs and the Geo-Thermal Loan, if any, shall be entitled to the benefit of and hereby is granted:

- (a) a first priority fixed and specific charge (the “**Craft Geo-Thermal Proceeds Charge**”) on the Craft Collateral; and
- (b) a fixed and specific charge (the “**Craft Geo-Thermal Charge**”) on the Leslieville Project, and shall have the priority set out in paragraph 49 hereof.

FINANCING OF LESLIEVILLE CONSTRUCTION

37. **THIS COURT ORDERS AND DECLARES** that the Construction Receiver is hereby authorized and empowered to obtain and borrow under credit facilities provided by the Syndicate Construction Loan Agreement and the Craft Loan Agreement, and the execution and delivery by the Construction Receiver of each of such agreements is hereby ratified, authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable from time to time to give effect to the Syndicate Construction Loan Agreement and/or the Craft Loan Agreement, including without limitation, the entering into, and execution and delivery of, any non-material amendments to the Syndicate Construction Loan Agreement and/or the Craft Loan Agreement as the Construction Receiver may deem necessary or desirable.

38. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and empowered to execute and deliver such mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Syndicate Construction Loan Agreement and the Craft Loan Agreement, respectively, or as may be reasonably required by the Syndicate or Craft pursuant to the terms thereof, and the Construction Receiver is hereby authorized and directed to pay the Syndicate Construction Loan Obligations and Craft Construction Secured Obligations to the Syndicate and Craft, respectively, from the Proceeds of Realization as and when such Proceeds of Realization become available for distribution by the Construction Receiver in accordance with the Waterfall.

39. **THIS COURT ORDERS** that the Syndicate shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the "**Syndicate Charge**") on the whole of the Property of the Debtors as security for the payment of the Syndicate Construction Loan Obligations (which includes any Syndicate COR Funded Amount and any Syndicate COR Commitment Fee), together with interest and charges thereon, as applicable. The Syndicate Charge shall have the priority set out in paragraph 49 hereof.

40. **THIS COURT ORDERS** that Craft shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the "**Craft Construction Charge**") on the Leslieville

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Project as security for the payment of the Craft Construction Secured Obligations (which includes any Craft COR Funded Amount and any Craft COR Commitment Fee), together with interest and charges thereon as applicable. The Craft Construction Charge shall have the priority set out in paragraph 49 hereof.

TF COST OVERRUN AGREEMENT

41. **THIS COURT ORDERS AND DECLARES** that the TF Cost Overrun Agreement is hereby approved, and the execution and delivery of the TF Cost Overrun Agreement by the Construction Receiver is hereby ratified, authorized and approved. The Construction Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable from time to time to give effect to the TF Cost Overrun Agreement, including without limitation, the entering into, and execution and delivery of, any non-material amendments to the TF Cost Overrun Agreement as the Construction Receiver may deem necessary or desirable.

42. **THIS COURT ORDERS** that Terra Firma shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**TF Cost Overrun Agreement Charge**”) on the Property of UC Leslieville and UC Beach as security for the payment of the TF Cost Overrun Funded Amount, together with interest and charges thereon. The TF Cost Overrun Agreement Charge shall have the priority set out in paragraph 49 hereof.

43. **THIS COURT ORDERS** that in the event that Terra Firma defaults in funding a Cost Overrun, and either Craft or the Syndicate fund the Construction Receiver for such Cost Overrun or in the case of Craft, pay such Cost Overrun directly in accordance with the provisions of the TF Cost Overrun Agreement, the Craft Construction Contract and/or the Craft Development Contract (such amount, a “**Craft COR Funded Amount**” and a “**Syndicate COR Funded Amount**”, respectively), then subject to applicable law:

- (a) Craft shall be entitled to charge (i) a commitment fee in an amount of up to \$250,000 (the “**Craft COR Commitment Fee**”), and (ii) a deferred fee in the amount equal to 25% of each Craft COR Funded Amount (the “**Craft COR Deferred Fee**”), for each Craft COR Funded Amount paid by Craft; and

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- (b) the Syndicate shall be entitled to charge (i) a commitment fee in an amount of up to \$250,000 (the **"Syndicate COR Commitment Fee"**), and (ii) a deferred fee in the amount equal to 25% of each Syndicate Cost Overrun Funded Amount (the **"Syndicate COR Deferred Fee"**), for each Syndicate COR Funded Amount paid by the Syndicate.

44. **THIS COURT ORDERS** that Craft shall be entitled to add the amount of each Craft COR Funded Amount and each Craft COR Commitment Fee to the principal amount outstanding under the Craft Loan Agreement on the date of the advance of such Craft COR Funded Amount.

45. **THIS COURT ORDERS** that Craft shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the **"Craft COR Deferred Fee Charge"**) on the Leslieville Project as security for the payment of all Craft COR Deferred Fees. The Craft COR Deferred Fee Charge shall have the priority set out in paragraph 49 hereof.

46. **THIS COURT ORDERS** that the Syndicate shall be entitled to add the amount of each Syndicate COR Funded Amount and each Syndicate COR Commitment Fee to the principal amount outstanding under the Syndicate Construction Loan Agreement on the date of the advance of such Syndicate COR Funded Amount.

47. **THIS COURT ORDERS** that the Syndicate shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the **"Syndicate COR Deferred Fee Charge"**) on the whole of the Property of the Debtors as security for the payment of all Syndicate COR Deferred Fees. The Syndicate COR Deferred Fee Charge shall have the priority set out in paragraph 49 hereof.

48. **THIS COURT ORDERS** that in the event that the Syndicate defaults in providing any advance of loans under the Syndicate Construction Loan Agreement which has been requested by the Construction Receiver and for which all conditions precedent thereunder have been satisfied (a **"Defaulted Syndicate Advance"**) and either or both of Craft and Terra Firma fund such Defaulted Syndicate Advance in accordance with the TF Cost Overrun Agreement (such amount, a **"Syndicate Default Funded Amount"**), then Craft and/or Terra

Firma, as the case may be, shall be entitled to the benefit of and hereby is granted a fixed and specific charge (the “**Syndicate Loan Default Charge**”) on the whole of the Property of UC Leslieville and UC Beach as security for the payment of all such Syndicate Default Funded Amounts. The Syndicate Loan Default Charge shall have the priority set out in paragraph 49 hereof.

PRIORITY AND VALIDITY OF CHARGES

49. **THIS COURT ORDERS** that, subject to subparagraph 36(a) and paragraph 53 of this Order, the priorities of the Court Ordered Charges on the Leslieville Project, as among them, shall be as follows:

- (a) **First** – Construction Receiver’s Charge;
- (b) **Second** – Syndicate Charge (to the maximum amount of the Syndicate Construction Loan Obligations, including all applicable principal, interest, fees, charges and costs) and the Syndicate Loan Default Charge (to the maximum amount of all Syndicate Default Funded Amounts, including all applicable interest, fees charges and costs) on a *pari passu* basis;
- (c) **Third** – Construction Receiver’s Borrowings Charge (to the maximum principal amount of \$6.0 million, plus all applicable interest, fees, charges and costs);
- (d) **Fourth** – Craft Construction Charge (to the maximum amount of Craft Construction Secured Obligations, including all applicable principal, interest, fees, charges and costs);
- (e) **Fifth** – Craft Geo-Thermal Charge (to the maximum amount of the Craft Geo-Thermal Costs and Geo-Thermal Loan, if any);
- (f) **Sixth** – Craft Deferred Management Fee Charge (to the maximum amount of the Deferred Management Fee);
- (g) **Seventh** – Tarion Charge;
- (h) **Eighth** – Craft Success Fee Charge (to the maximum amount of the Craft Success Fee);
- (i) **Ninth** – Craft COR Deferred Fee Charge (to the maximum amount of all Craft COR Deferred Fees), and the Syndicate COR Deferred Fee Charge (to the

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maximum amount of all Syndicate COR Deferred Fees), on a *pari passu* and rateable basis;

- (j) **Tenth** – TF Cost Overrun Agreement Charge (to the maximum amount of the TF Cost Overrun Funded Amounts);
- (k) **Eleventh** - Purchasers' Premium Charge (to the maximum amount of the aggregate Premiums paid by all Opt-In Leslieville Purchasers pursuant to their New APS); and
- (l) **Twelfth** – Tarion Residual Charge.

50. **THIS COURT ORDERS** that the filing, registration or perfection of all Court Ordered Charges shall not be required, and that all Court Ordered Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Court Ordered Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

51. **THIS COURT ORDERS** that the Court Ordered Charges or any of the Definitive Documents in connection with the Construction Receiver's borrowings authorized by this Order or the Appointment Order shall not be enforced without leave of this Court.

52. **THIS COURT ORDERS** that, subject to the priorities among the Court Ordered Charges set out in paragraph 49 of this Order and sections 14.06(7), 81.4(4) and 81.6 of the BIA:

- (a) the Construction Receiver's Charge, the Syndicate Charge, the Syndicate Loan Default Charge and the Construction Receiver's Borrowings Charge shall rank in priority to all Encumbrances, but subordinate in priority to the Travelers Cash Collateral;
- (b) subject to paragraph 53 below, the Craft Geo-Thermal Proceeds Charge shall, as against the Craft Collateral, have the priority set out in subparagraph 36(a);
- (c) subject to paragraph 53 below, the Craft Construction Charge, Craft Geo-Thermal Charge, and the Craft Deferred Management Fee Charge shall rank in priority to all Encumbrances, but subordinate in priority to (i) the Travelers Cash Collateral, (ii) the Holdback Deficiencies (up to the Holdback Reserve),

(iii) the Priority Realty Claims (up to the Priority Realty Claims Reserve), and
 (iv) the Syndicate Pre-Filing Secured Obligations;

- (d) subject to paragraph 53 below, the Tarion Charge, the Craft Success Fee Charge, the Craft COR Deferred Fee Charge, the Syndicate COR Deferred Fee Charge, the TF Cost Overrun Agreement Charge, the Purchasers' Premium Charge, the Tarion Residual Charge shall rank in priority to all Encumbrances, but subordinate in priority to (i) the Travelers Cash Collateral, (ii) the Holdback Deficiencies (up to the Holdback Reserve), (iii) the Priority Realty Claims (up to the Priority Realty Claims Reserve), (iv) the Syndicate Pre-Filing Secured Obligation, and (v) the Travelers Secured Obligations secured by the Travelers Mortgage.

53. **THIS COURT ORDERS** that if a Major Event of Default has occurred and is continuing under either of the Craft Construction Contract or the Craft Development Contract, as defined therein, then subject to the terms and conditions as set out in the Craft Construction Contract and/or Craft Development Contract, on the earlier of: (i) notice in writing from the Construction Receiver to Craft as provided in the Craft Development Contract, and (ii) the termination of the Craft Development Contract:

- (a) Craft shall have no right or claim whatsoever to, and is forever barred from claiming, any payments or other consideration that might otherwise be due or become due under the Craft Development Contract and Craft Construction Contract (including, for certainty, the Deferred Compensation and the transfer of the Vacant Lot), except for the payments expressly provided for under such agreements in connection with a termination of such agreements relating to the Construction Work or Development Services actually performed or incurred by Craft or on behalf of Craft under either of such agreements; and
- (b) the repayment of the Craft Construction Secured Obligations, any Craft Geo-Thermal Costs or Geo-Thermal Loan (together with the Craft Construction Charge, the Craft Geo-Thermal Proceeds Charge and the Craft Geo-Thermal Charge) shall automatically be subordinated in priority such that repayment of

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the Craft Construction Secured Obligations and any Craft Geo-Thermal Costs or Geo-Thermal Loan shall only occur after repayment of the Terra Firma Indebtedness.

DISTRIBUTION WATERFALL

54. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, all Proceeds of Realization shall stand in the place and stead of the Leslieville Project, and that as and when the Leslieville Project is sold, all Claims and Encumbrances shall attach to the net Proceeds of Realization with the same priority as they had with respect to the Leslieville Project immediately prior to the transfers as set out and permitted in this Order, as if the Leslieville Project had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the transfers.

55. **THIS COURT ORDERS** that, subject to the receipt of Proceeds of Realization as contemplated by this Order or any subsequent transaction with the Construction Receiver, the Construction Receiver is hereby authorized and directed to distribute from time to time, and without further Order of the Court, the Proceeds of Realization (other than any Geo-Thermal System Proceeds, which shall be distributed in accordance with paragraph 35, and other than the Travelers Cash Collateral, which may be used by Travelers in accordance with paragraph 24) as and when such Proceeds of Realization become available for distribution by the Construction Receiver as follows (the “**Waterfall**”):

- (a) first, to the Construction Receiver, the amount of the Construction Receiver’s Reserve;
- (b) second, on a *pari passu* and rateable basis (i) to the Administrative Agent, the amount of the Syndicate Construction Loan Obligations (including, for certainty, any Syndicate COR Funded Amount and any Syndicate COR Commitment Fee) secured by the Syndicate Charge; and (ii) to Craft and Terra Firma, as applicable, the amount of the Syndicate Default Funded Amounts secured by the Syndicate Loan Default Charge;

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- (c) third, to the Administrative Agent, the amount of the Construction Receiver's obligations owing to the Syndicate for monies borrowed pursuant to the Construction Receiver's Borrowings Charge;
- (d) fourth, to the Construction Receiver, the amount of the Holdback Reserve and the Priority Claims Reserve;
- (e) fifth, to the Administrative Agent, the amount of the Syndicate Pre-Filing Secured Obligations;
- (f) sixth, subject to paragraph 53, to Craft, (i) the amount of the Craft Construction Secured Obligations (including, for certainty, any Craft COR Funded Amount and any Craft COR Commitment Fee) secured by the Craft Construction Charge, and (ii) the Craft Geo-Thermal Costs and Geo-Thermal Loan secured by the Craft Geo-Thermal Charge, and (iii) the Deferred Management Fee secured by the Craft Deferred Management Fee Charge;
- (g) seventh, to Travelers in respect of the Travelers Secured Obligations secured by the Travelers Mortgage, including: (i) the amount of monies paid by Travelers in respect of Excess Deposit Insurance Claims, (ii) as cash collateral, an amount reasonably estimated by Travelers, and approved by the Construction Receiver at the time of distribution, with respect to any remaining potential Excess Deposit Insurance Claims in connection with any Original Leslieville APS, (iii) the amount of monies paid by Travelers to Tarion with respect to Tarion Deposit Claims pursuant to the Tarion Bond, and (iv) as cash collateral, an amount equal to the then outstanding Tarion Bond Amount. For certainty, the foregoing amounts shall be calculated taking into account any then remaining Travelers Cash Collateral. The cash collateral to be paid to Travelers pursuant to this subparagraphs 55(g)(ii) and (iv) hereof is to be held by Travelers upon terms and conditions to be agreed upon by the Construction Receiver, Terra Firma, the Syndicate and Craft or as otherwise ordered by the Court as security for the obligations described in such subparagraphs.

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- (h) eighth, to Tarion, as cash collateral in an amount equal to the Tarion Charge Amount at the time of distribution to Tarion as security for its obligations under the ONHWPA to the Opt-In Leslieville Purchasers, the New Leslieville Purchasers and the Condominium Corporation. The cash collateral to be paid to Tarion pursuant to this subparagraph 55(h) is to be held by Tarion upon terms and conditions to be agreed upon by the Construction Receiver, Terra Firma, the Syndicate and Craft or as otherwise ordered by the Court as security for the obligations described in this paragraph;
- (i) ninth, subject to paragraph 53, to Craft, the amount of the Craft Success Fee secured by the Craft Success Fee Charge;
- (j) tenth, *pari passu* and rateably, to (i) Craft, in the aggregate amount of all Craft COR Deferred Fees, and (ii) the Syndicate, in the aggregate amount of all Syndicate COR Deferred Fees, if applicable;
- (k) eleventh, to Terra Firma, in an amount not exceeding the sum of (i) \$6.5 million on account of the Terra Firma Indebtedness, and (ii) the aggregate of all TF Cost Overrun Funded Amounts secured by the TF Cost Overrun Agreement Charge;
- (l) twelfth, *pari passu* and rateably to (i) Terra Firma (up to the remaining Terra Firma Indebtedness, if any) and (ii) the Opt-In Leslieville Purchasers (for the aggregate amount of the Premiums paid by all Opt-In Leslieville Purchasers pursuant to the New APS), with such amount allocated to the Opt-In Leslieville Purchasers to be distributed on a *pari passu* and rateable basis amongst all Opt-In Leslieville Purchasers; and
- (m) thirteenth, to Tarion and/or the Construction Receiver, as cash collateral in an amount equal to the Tarion Residual Reserve Amount at the time of distribution to Tarion as security for its obligations under the ONHWPA to the Opt-In Leslieville Purchasers, the New Leslieville Purchasers and the Condominium Corporation. The cash collateral pursuant to this subparagraph 55(m) is to be

held by Taron and/or the Construction Receiver upon terms and conditions to be agreed upon by Taron, the Construction Receiver, Terra Firma, the Syndicate and Craft or as otherwise ordered by the Court as security for the obligations described in this paragraph;

- (n) fourteenth, to Lien Claimants in respect of the balance of their valid lien claims (other than claims for Holdback Deficiencies), such claims and their respective allocation between the Lien Claimants and the respective Projects to be determined, if necessary, by further order of the Court; and
- (o) the balance, if any, to unsecured creditors of the Debtors on a pro-rata basis, such claims to be determined, if necessary, by further order of the Court.

56. **THIS COURT ORDERS** that, any payments, distributions and disbursements under this Order by the Construction Receiver shall not constitute a “distribution” for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 107 of the *Corporations Tax Act* (Ontario), section 117(1) of the *Taxation Act, 2007* (Ontario), or any other similar federal or provincial tax legislation (collectively, the “**Tax Statutes**”), and that the Construction Receiver, in making such payments, distributions or disbursements is not “distributing”, nor shall be considered to “distribute” nor to have “distributed”, such funds for the purposes of the Tax Statutes, and shall have no obligation to obtain a clearance certificate in respect of such payments, distributions or disbursements. The Construction Receiver shall not incur any liability under the Tax Statutes in respect of its making any payments ordered or permitted by this Order, and is hereby forever released and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of payments made under this Order and any claims of this nature are hereby forever barred.

CONSTRUCTION LIEN CLAIMS AND HOLDBACK

57. **THIS COURT ORDERS** that, subject to the Waterfall set out in paragraph 55, upon receipt of any Proceeds of Realization, the Construction Receiver is hereby authorized and directed to retain from the Proceeds of Realization the amount of \$1,184,000 (the “**Holdback**”

Reserve") in full and final satisfaction of all claims of the construction lien claimants of the Leslieville Project as set out at **Schedule "D"** hereto (the **"Lien Claimants"**) and their subcontractors, if any, in respect of any deficiencies in the holdbacks required to have been retained by any statutory "owner" of the Leslieville Project, as that term is defined in section 1(1) of the CLA that have priority to amounts that were owing to any mortgagee against the Leslieville Project pursuant to Part IV of the CLA (the **"Holdback Deficiencies"**).

58. **THIS COURT ORDERS** that the Construction Receiver is hereby authorized and directed to hold the Holdback Reserve in an interest bearing account for amounts owed to the Lien Claimants for Holdback Deficiencies and the Holdback Reserve shall stand in place and stead of the Leslieville Project, subject to the entirety of claims by the Lien Claimants, and their subcontractors, if any, with respect to Holdback Deficiencies, and all actions or proceedings commenced against UC Leslieville, the Administrative Agent, Travelers, and Terra Firma by the Lien Claimants, and their subcontractors, if any, with respect to the Holdback Deficiencies shall be satisfied by the Holdback Reserve.

59. **THIS COURT ORDERS** that, upon the establishment of the Holdback Reserve by the Construction Receiver, all actions or proceedings commenced by the Lien Claimants as set out at **Schedule "E"** hereto or their subcontractors, if any, as applicable, against UC Leslieville, Terra Firma, the Administrative Agent, and Travelers with respect to: (i) Holdback Deficiencies; (ii) trust or damage claims (if any); or (iii) otherwise claiming priority over any mortgagee (collectively, the **"Mortgagee Actions"**) are hereby dismissed as against UC Leslieville, Terra Firma, the Syndicate, as applicable, on a with prejudice without costs basis.

60. **THIS COURT ORDERS** that, upon settlement of the Holdback Deficiencies owed to the Lien Claimants from the Holdback Reserve, as may be agreed between Terra Firma, Travelers, the Administrative Agent and the Lien Claimants, with the consent of the Construction Receiver (the **"Settled Amounts"**), the Construction Receiver shall bring a motion or motions, as applicable, from time to time, as the Construction Receiver in its sole discretion deems appropriate, to pay the Settled Amounts to each of the Lien Claimants and to pay the amount, if any, by which the Holdback Reserve exceeds the Settled Amounts in accordance with the Waterfall set out in paragraph 55 of this Order.

61. **THIS COURT ORDERS** that this Order is without prejudice to the rights of the Construction Receiver, the Lien Claimants, or any of them, to, at any time, bring a motion(s) to the Court seeking, among other things, payment of their respective claims for Holdback Deficiencies, refer any issues to a Construction Lien Master or any relief with respect to the determination of their claims for Holdback Deficiencies to be paid from the Holdback Reserve.

PRIORITY REALTY TAX CLAIM RESERVE

62. **THIS COURT ORDERS** that, subject to the Waterfall set out in paragraph 55 of this Order, upon receipt of any Proceeds of Realization, the Construction Receiver is hereby authorized and directed to retain from the Proceeds of Realization an amount satisfactory to the Construction Receiver to be held by the Construction Receiver in an interest bearing account on account of any Priority Realty Tax Claims (the “**Priority Realty Tax Claim Reserve**”), and the Priority Realty Tax Claim Reserve shall stand in place and stead of the Property.

ROLE OF CONSTRUCTION RECEIVER

63. **THIS COURT ORDERS** that the obligations of the Construction Receiver with respect to the completion of the Leslieville Project shall be limited only to those obligations specified under the Project Agreements, and, for greater certainty, the Construction Receiver shall have no obligation or responsibility for any onsite supervision, review or certification of the Construction Work or the Development Services completed by Craft, its consultants, subcontractors and/or any other party, in respect of the Leslieville Project. The Construction Receiver shall at all times be entitled to rely only on that information provided by Craft, its consultants and subcontractors, including but not limited to, with respect to information contained in the monthly progress reports provided by Craft to the Construction Receiver, the Project Monitor and the Administrative Agent, regarding the progress of the Construction Work and the Development Services. In exercising its limited mandate under the Project Agreements, the Construction Receiver is hereby authorized, as the Construction Receiver considers it advisable or appropriate, to consult with and rely on any information and advice provided by the Project Monitor. For greater certainty, the Construction Receiver is not a “declarant” within the meaning of the *Condominium Act* (Ontario) and shall not be liable for the obligations of a declarant arising thereunder.

64. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Construction Receiver under the Appointment Order, the Construction Receiver shall not be liable for any act or omission on the part of the Construction Receiver pertaining to the discharge of its duties under this Order, save and except for any claim or liability arising out of gross negligence or wilful misconduct on the part of the Construction Receiver. Nothing in this Order shall derogate from the protections afforded to the Construction Receiver by the BIA, any other federal or provincial legislation, applicable law, or the Appointment Order.

SEALING OF CONFIDENTIAL APPENDIX

65. **THIS COURT ORDERS** that, subject to further order of the Court, **Confidential Appendix "B"** and **Confidential Appendix "C"** to the Second Report shall be sealed, kept confidential, and not form part of the public record, but rather be placed, separate and apart from all other contents of the Court file, in a sealed envelope with a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.

GENERAL

66. **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 BIA in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Vacant Lot, the Units in the applicable persons, the Court Ordered Charges, the reserves, payments, distributions and disbursements made pursuant to this Order, are made free and clear of any Encumbrances, and shall be binding on any trustee in bankruptcy that may be appointed in respect of each Debtor, and shall not be void or voidable by creditors of each Debtor, nor shall they constitute nor be deemed to be a fraudulent preference, assignment,

fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA 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.

67. **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 Construction 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 Construction Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Construction Receiver and its agents in carrying out the terms of this Order.

68. **THIS COURT ORDERS** that the Construction Receiver may apply from time to time to this Court for advice and directions in the discharge of its powers and duties hereunder, including, for greater certainty, with respect to the performance of its or UC Leslieville's obligations under any of the agreements approved herein.

69. **THIS COURT ORDERS** that pursuant to the BIA, section 195, this Order is subject to provisional execution notwithstanding any appeal therefrom.



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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 02 2017

PER / PAR:



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SCHEDULE "A"

DEFINITIONS

"A&M" shall have the meaning given to it in the recitals of this Order;

"Ad Hoc Leslieville Purchasers" means the forty-six (46) Existing Leslieville Purchasers represented by Dickinson Wright LLP;

"Administrative Agent" means Canadian Imperial Bank of Commerce, in its capacity as administrative agent for the Syndicate under the Syndicate Construction Loan and the Pre-Filing Syndicate Credit Agreement;

"Appointment Order" means the order of the Court dated May 31, 2016 appointing A&M as Construction Receiver of all of the Property of the Debtors;

"BIA" shall have the meaning given to it in the recitals of this Order;

"Builder" has the meaning given to it pursuant to the ONHWPA;

"Business Days" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto, Ontario;

"CLA" shall have the meaning given to it in the recitals of this Order;

"Claims" shall have the meaning given to it in paragraph 11;

"Condominium" means the condominium which will be created upon registration of the declaration against the Leslieville Project pursuant to the provisions of the *Condominium Act* (Ontario);

"Condominium Corporation" means the condominium corporation for the Condominium;

"Construction Lien Trustee" shall have the meaning given to it in the recitals of this Order;

"Construction Receiver" shall have the meaning given to it in the recitals of this Order;

"Construction Receiver's Borrowings Charge" means the Receiver's Borrowings Charge and the Construction Lien Trustee's Charge as defined in paragraph 22 of the Appointment Order.

"Construction Receiver's Charge" shall have the meaning given to it in paragraph 19 of the Appointment Order;

"Construction Receiver's Counsel" means Gowlings WLG (Canada) LLP;

"Construction Receiver's Independent Counsel" means Blake, Cassels & Graydon LLP;

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“Construction Receiver’s Reserve” means a reserve in an amount satisfactory to the Construction Receiver to serve as cash collateral sufficient to secure the payment of the Professional Expenses;

“Construction Work” shall have the meaning given to it in the Craft Development Contract;

“Cost Overrun” shall the meaning given to it in the TF Cost Overrun Agreement;

“Court Ordered Charges” shall mean the Construction Receiver’s Charge, the Construction Receiver’s Borrowings Charge, the Syndicate Charge, the Craft Construction Charge, the Craft Deferred Management Fee Charge, the Craft Geo-Thermal Proceeds Charge, the Craft Geo-Thermal Charge, the TF Cost Overrun Agreement Charge, the Tarion Charge and the Purchasers’ Premium Charge;

“Craft” means C.R.A.F.T. Development Corporation;

“Craft Cash Collateral” shall have the meaning given to it in the Craft Development Contract.

“Craft Collateral” shall have the meaning given to it in paragraph 34 of this Order;

“Craft Construction Charge” shall have the meaning given to it in paragraph 40 of this Order;

“Craft Construction Contract” means the fixed price construction contract dated April 18, 2017 made between UC Leslieville by the Construction Receiver and Craft for the completion of the construction of the Leslieville Project, and as appended as **Appendix “C”** to the Second Report;

“Craft Construction Secured Obligations” means, collectively (without duplication), (i) the obligations of the Construction Receiver owing to Craft under the Craft Loan Agreement, (ii) all Craft COR Funded Amounts and all Craft COR Commitment Fees earned by the Craft pursuant to the TF Cost Overrun Agreement, (iii) all other amounts, costs or expenses funded to the Construction Receiver or paid by Craft pursuant to the terms of the Craft Construction Contract or Craft Development Contract which are expressly provided thereunder to be loans funded by Craft under the Craft Loan Agreement or costs to be reimbursed from the Proceeds of Realization with the same priority in the Waterfall as loans funded by Craft under the Craft Loan Agreement; and (iv) interest on the Craft Cash Collateral as provided for under the Craft Development Contract.

“Craft COR Commitment Fee” shall have the meaning given to it in paragraph 43(a) of this Order;

“Craft COR Deferred Fee” shall have the meaning given to it in paragraph 43(a) of this Order;

“Craft COR Deferred Fee Charge” shall have the meaning given to it in paragraph 45 of this Order;

“Craft COR Funded Amount” shall have the meaning given to it in paragraph 43 of this Order;

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“Craft Deferred Management Fee Charge” shall have the meaning given to it in paragraph 29 of this Order;

“Craft Development Contract” means the development contract dated April 18, 2017 between UC Leslieville by the Construction Receiver and Craft for the provision by Craft of development services with respect to the Leslieville Project, and as appended as **Appendix “D”** to the Second Report;

“Craft Geo-Thermal Charge” shall have the meaning given to it in paragraph 36(b) of this Order;

“Craft Geo-Thermal Costs” shall have the meaning given to it in the Craft Construction Contract;

“Craft Geo-Thermal Proceeds Charge” shall have the meaning given to it in paragraph 36(a) of this Order;

“Craft Loan Agreement” means the loan agreement dated April 18, 2017 made between the Construction Receiver (as borrower) and Craft (as lender), and as appended as **Appendix “F”** to the Second Report;

“Craft Success Fee” means the fee equal to \$1 million to be paid to Craft in accordance with the Craft Development Contract and the Waterfall;

“Craft Success Fee Charge” shall have the meaning given to it in paragraph 30 of this Order;

“Debtors” shall have the meaning given to it in the recitals of this Order;

“Defaulted Syndicate Advance” shall have the meaning given to it in paragraph 48 of this Order;

“Deferred Commitment Fee” shall have the meaning given to it in the Syndicate Construction Loan Agreement;

“Deferred Compensation” shall have the meaning given to it in the Craft Development Contract;

“Deferred Management Fee” means a management fee equal to \$1,125,000 to be paid to Craft in accordance with the Craft Development Contract and the Waterfall;

“Definitive Documents” shall have the meaning given to it in paragraph 38 of this Order;

“Development Services” shall have the meaning given to it in the Craft Development Contract;

“Disclosure Documentation” means, in respect of the Condominium, the disclosure statement, first year budget statement, declaration, by-laws and rules, proposed condominium management agreement and draft plan of standard condominium;

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“Earned Management Fee” shall have the meaning given to it in the Craft Development Contract to be paid to Craft in accordance with the Craft Development Contract and the Waterfall;

“Effective Date” shall have the meaning given to it in paragraph 2 of this Order;

“Encumbrances” shall have the meaning given to it in paragraph 11 of this Order;

“Excess Deposit Insurance Claim” means an insurance claim made pursuant to the Master Insurance Policy for Excess Condominium Deposits and Upgrade Monies (Policy No. 10031069) dated July 13, 2012 provided by Travelers for purchase price deposits paid to UC Leslieville or UC Leslieville’s solicitor in excess of the Tarrion Deposit Claim;

“Existing Leslieville Purchaser” means a person who has entered into an Original Leslieville APS with UC Leslieville, or where such person or persons has/have assigned its/their Original Leslieville APS, the assignee(s) thereof;

“Funding Failure” means the occurrence of any of the following:

- (a) if, at any time and for whatever reason (including by reason of default by Craft or the repair or replacement of any damage or destruction to all or any part of the Leslieville Project), the estimated cost to complete the Construction Work (including rectifying all known Latent Defects and completing all warranty work) and the Development Services, as determined by the Project Monitor, acting reasonably, is greater than the aggregate amount of: (i) all funding available for the Leslieville Project pursuant to the Craft Loan Agreement, the Syndicate Construction Loan Agreement and, to the extent available, the Craft Cash Collateral, and (ii) Terra Firma (or to the extent permitted (or required) under the TF Cost Overrun Agreement, Craft and the Syndicate) declines (or fails) to fund the difference pursuant to the TF Cost Overrun Agreement; or
- (b) if, at any time, a Cost Overrun is not funded by Terra Firma as required under the TF Cost Overrun Agreement (or by Craft or the Syndicate as required or permitted under the TF Cost Overrun Agreement);

“Funding Failure Notice” means a notice in writing providing notice of a Funding Failure delivered by the Construction Receiver to the Opt-In Leslieville Purchasers and New Leslieville Purchasers, as applicable;

“Geo-Thermal Loan” has the meaning given to it in the Craft Development Contract;

“Geo-Thermal System” has the meaning given to it in the Craft Construction Contract;

“Geo-Thermal System Marketing Process” shall have the meaning given to it in the Craft Development Contract;

“Geo-Thermal System Proceeds” shall have the meaning given to it in paragraph 35 of this Order;

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“Holdback Deficiencies” shall have the meaning given to it in paragraph 57 of this Order;

“Holdback Reserve” shall have the meaning given to it in paragraph 57 of this Order;

“Latent Defect” means shall have the meaning given to it in the Craft Construction Contract

“Leslieville Assignee” means an Existing Leslieville Purchaser who is an assignee under an Original Leslieville APS from a Leslieville Assignor;

“Leslieville Assignor” means a person who entered into an Original Leslieville APS with UC Leslieville, and assigned such Original Leslieville APS to a person or persons that are now an Existing Leslieville Purchaser;

“Leslieville Project” means the Leslieville Project Lands and the 55 unit low-rise residential development located on the Leslieville Project Lands and other improvements and all landscaping and interior decoration, all plant, machinery, improvements and equipment and all other property whether free standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto, to be constructed or completed on, above or under the surface of the Leslieville Project Lands;

“Leslieville Project Lands” means the lands and premises situate in the City of Toronto, and which is currently municipally known as 50 Curzon Street, as more particularly described in Schedule “F” under the heading “Leslieville Project Lands”;

“Lien Claimant” shall have the meaning given to it in paragraph 57 of this Order;

“Major Event of Default” shall have the meaning given to it in the Craft Construction Contract or the Craft Development Contract, as applicable;

“Marketing Plan” shall have the meaning given to it in the Craft Development Contract;

“Minimum Unit Price” shall mean the minimum sale price for an Unsold Unit as set out in Confidential Appendix “B” to the Second Report, or such other price as maybe determined in accordance with the Craft Development Contract or otherwise approved by the Court;

“Mortgagee Action” shall have the meaning given to it in paragraph 59 of this Order;

“New APS” means an agreement of purchase and sale between UC Leslieville by the Construction Receiver and an Opt-In Leslieville Purchaser for a Unit, substantially in the form of Schedule “B” to the Purchaser Package Approval Order;

“New APS Transaction” shall have the meaning given to it in paragraph 4 of this Order;

“New Leslieville Purchaser” means a person who is a purchaser of an Unsold Unit pursuant to a Standard Form Sale Agreement;

“Non-Paying Leslieville Assignee” means a Leslieville Assignee who is an Opt-Out Leslieville Purchaser and has not paid all of the purchase price deposit monies outstanding under its

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Original Leslieville APS either directly to UC Leslieville or reimbursed its Leslieville Assignor for such deposit amounts;

“**ONHWPA**” means the *Ontario New Home Warranties Plan Act* (Ontario) and all regulations prescribed thereunder, as may be amended from time to time;

“**Opt-In Deadline**” means May 19th, 2017 at 5:00 pm (EST);

“**Opt-In Leslieville Purchaser**” means an Existing Leslieville Purchaser (a) who has delivered a fully executed and completed Opt-In Package to the Construction Receiver in accordance with the Purchaser Information Package Approval Order, and (b) who has not rescinded its New APS by the applicable Rescission Bar Date;

“**Opt-In Threshold**” means at least 40% of the Existing Leslieville Purchasers opt-in to the proposed settlement by the Opt-In Deadline and have not rescinded their New APS by the Ultimate Rescission Bar Date;

“**Opt-In Package**” shall have the meaning given to it in the Purchaser Package Approval Order;

“**Opt-Out Leslieville Purchaser**” means an Existing Leslieville Purchaser who is not an Opt-In Leslieville Purchaser;

“**Original Co-Operating Broker**” means a broker who entered into a co-operating broker agreement with UC Leslieville in connection with an Original Leslieville APS;

“**Original Leslieville APS**” means an existing agreement of purchase and sale for a given unit in the Condominium entered into between UC Leslieville, as vendor, and an Existing Leslieville Purchaser, together with all related amendments and side agreements;

“**Paid-up Leslieville Assignee**” means a Leslieville Assignee who has reimbursed its Leslieville Assignor for all of the purchase price deposit monies paid by such Leslieville Assignor under the Original Leslieville APS;

“**Paid-up Leslieville Assignor**” means a Leslieville Assignor who has been paid by its Leslieville Assignee for all of the purchase price deposit monies paid by such Leslieville Assignor under the Original Leslieville APS;

“**Parking Unit**” means each parking unit in the Condominium to be registered against the Leslieville Project Lands;

“**Permitted Encumbrances**” shall have the meaning given to it in paragraph 11 of this Order;

“**Pre-Filing Syndicate Credit Agreement**” means the credit agreement made as of July 13, 2012 between UC Leslieville (as borrower), Alan Saskin, Urbancorp Toronto Management Inc., UC Riverdale and UC Beach (as guarantors), and the Syndicate (as lenders), as amended and supplemented from time to time;

“**Premium**” means, for each Opt-In Leslieville Purchaser, the sum of \$255,000;

“Priority Realty Tax Claim” means any unpaid realty taxes of UC Leslieville;

“Priority Realty Tax Claim Reserve” shall have the meaning given to it in paragraph 62 of this Order;

“Proceeds of Realization” means the net proceeds derived from the use, sale or other disposition of the Leslieville Project;

“Project Agreements” means Craft Construction Contract, Craft Development Contract, the TF Cost Overrun Agreement, Syndicate Construction Loan Agreement and the Craft Loan Agreement;

“Project Monitor Engagement” means the agreement between Altus Group Limited and the Construction Receiver, substantially in the form of **Appendix “E”** to the Second Report.

“Projects” means the Leslieville Project and the Beach Project;

“Professional Expenses” means (i) all accrued but unpaid fees and disbursements of the Construction Receiver, the Construction Receiver’s Counsel and the Construction Receiver’s Independent Counsel, and (ii) the fees and disbursements as estimated from time to time by the Construction Receiver to complete the Receivership Proceeding;

“Property” has the meaning given to it in the recitals of this Order;

“Purchaser Package Approval Order” means the order of the Court dated April 19, 2017 approving, among other things, the information to be provided to the Existing Leslieville Purchasers in respect of the proposed settlement;

“Purchasers’ Premium Charge” shall have the meaning given to it in paragraph 5 of this Order;

“Receiver” shall have the meaning given to it in recitals of this Order;

“Receivership Proceeding” means the receivership proceeding with respect to the Debtors commenced by the Appointment Order bearing Court File No. CV-16-11409-00CL;

“Repudiation Date” shall have the meaning given to it in paragraph 13 of this Order;

“Rescission Bar Date” shall have the meaning given to it in the Purchaser Package Approval Order;

“Second Report” shall have the meaning given to it in the recitals of this Order;

“Settled Amounts” shall have the meaning given to it in paragraph 60 of this Order;

“Settlement Parties” shall have the meaning given to it in the recitals of this Order;

- 34 -

“Standard Form Sale Agreement” means an agreement of purchase and sale between UC Leslieville by the Construction Receiver and a New Leslieville Purchaser for an Unsold Unit, substantially in the form of **Appendix “I”** to the Second Report;

“Storage Unit” means each storage unit in the Condominium to be registered against the Leslieville Project Lands;

“Subsequent Sale Transaction” shall have the meaning given to it in paragraph 8 of this Order;

“Syndicate” means Canadian Imperial Bank of Commerce, Canadian Western Bank, and Laurentian Bank, or their assignees, as represented by the Administrative Agent;

“Syndicate Charge” shall have the meaning given to it in paragraph 39 of this Order;

“Syndicate Construction Loan Agreement” means the credit agreement made as of April 18, 2017 between the Construction Receiver (as borrower), the Syndicate (as lenders), and the Administrative Agent (as the administrative agent for the Syndicate), in the initial principal amount of \$4.5 million, substantially in the form as appended as **Appendix “G”** to the Second Report, as the same may be amended or supplemented from time to time;

“Syndicate Construction Loan Obligations” means the obligations of the Construction Receiver owing to the Syndicate pursuant to the Syndicate Construction Loan Agreement from time to time, including: (i) the Deferred Commitment Fee, (ii) all Syndicate COR Funded Amounts and all Syndicate COR Commitment Fees earned by the Syndicate pursuant to the TF Cost Overrun Agreement, and (iii) any other amounts which may expressly be provided by the terms of the Syndicate Construction Loan Agreement, the Craft Construction Contract, the Craft Development Contract and/or the TF Cost Overrun Agreement to be (or be deemed to be) a loan under the Syndicate Construction Loan Agreement;

“Syndicate COR Commitment Fee” shall have the meaning given to it in paragraph 43(b) of this Order;

“Syndicate COR Deferred Fee” shall have the meaning given to it in paragraph 43(b) of this Order;

“Syndicate COR Deferred Fee Charge” shall have the meaning given to it in paragraph 47 of this Order;

“Syndicate COR Funded Amount” shall have the meaning given to it in paragraph 43 of this Order;

“Syndicate Default Funded Amount” shall have the meaning given to it in paragraph 48 of this Order;

“Syndicate Loan Default Charge” shall have the meaning given to it in paragraph 48 of this Order;

"Syndicate Pre-Filing Secured Obligations" means the secured obligations owing by the Debtors to the Syndicate under the Pre-Filing Syndicate Credit Agreement;

"Tarion" means Tarion Warranty Corporation;

"Tarion Addendum" means the addendum to the Standard Form Sale Agreement from Tarion Warranty Corporation;

"Tarion Bond" means bond no. 10030498 dated May 19, 2011 in the original amount of \$1.26 million issued by Travelers in favour of Tarion in respect of the Leslieville Project, as amended from time to time;

"Tarion Bond Amount" means, at any time, the amount equal to \$1.1 million less the amounts paid by Travelers to Tarion prior to such time under the Tarion Bond;

"Tarion Residual Reserve Amount" means, at any time, a reserve reasonably estimated by Tarion, and approved by the Construction Receiver, to serve as cash collateral sufficient to secure the payment of Tarion's remaining obligations under the ONHWPA to the Opt-In Leslieville Purchasers, New Leslieville Purchasers and the Condominium Corporation after taking into account the Tarion Bond Amount and the Tarion Charge Amount at such time;

"Tarion Deposit Claim" means a claim to Tarion for compensation for purchase price deposits paid pursuant to an Original Leslieville APS (up to a maximum amount of \$20,000) pursuant to the ONHWPA;

"Tarion Charge" shall have the meaning given to it in paragraph 21 of this Order;

"Tarion Charge Amount" means, at any time, the amount equal to \$1.1 million less the Tarion Bond Amount at such time;

"Tax Statutes" shall have the meaning given to it in paragraph 56 of this Order;

"Terra Firma" means Terra Firma Capital Corporation;

"Terra Firma Commitment Letter" means the commitment letter between Terra Firma and UC Leslieville, Bosvest Inc. and Westside Gallery Lofts Inc., UTMI and Mr. Alan Saskin as guarantors, and UC Riverdale, UC Beach, Edge Residential Inc. and Edge on Triangle Park Inc., and all amending agreements;

"Terra Firma Indebtedness" means the indebtedness owed by the Debtors to Terra Firma pursuant to the Terra Firma Commitment Letter;

"TF Cost Overrun Funded Amount" means the amount of funds advanced by Terra Firma pursuant to the TF Cost Overrun Agreement;

"TF Cost Overrun Agreement" means the cost overrun funding and performance agreement April 18, 2017 made among Terra Firma, the Construction Receiver, the Administrative Agent, and Craft, as amended or supplemented from time to time;

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"TF Cost Overrun Agreement Charge" shall have the meaning given to it in paragraph 42 of this Order;

"Transfer/Deed" shall have meaning given to it in paragraph 10 of this Order;

"Travelers" means Travelers Guarantee Company of Canada/Travelers Insurance Company of Canada;

"Travelers Cash Collateral" means the deposit monies received by UC Leslieville under the Original Leslieville APS and held in trust by Harris Sheaffer LLP, which were pledged by UC Leslieville to Travelers as cash collateral for Travelers Secured Obligations, and as of August 9, 2016 was in the total amount of \$250,000, plus \$85,484.97 in interest;

"Travelers Master Excess Claims Policy" means Policy No. 10031069 - Master Insurance Policy for Excess Condominium Deposits and Upgrades issued by Travelers favour of UC Leslieville;

"Travelers Secured Obligations" means all obligations owed or owing by UC Leslieville to Travelers, from time to time, related to the Travelers Master Excess Claims Policy and/or the Tarion Bond arising under a letter agreement dated March 5, 2012 between Travelers and UC Leslieville or the UC Leslieville Indemnity Agreement, as secured by a Deposit Trust Agreement dated May 19, 2011 amongst UC Leslieville, Travelers and Harris, Sheaffer LLP or the Travelers Mortgage;

"Travelers Mortgage" means the charge/mortgage registered as Instrument No. AT2720786 on June 15, 2011 granted by UC Leslieville in favor of Travelers to secure the Travelers Secured Obligations;

"UC Beach" shall have the meaning given to it in the recitals of this Order;

"UC Leslieville" shall have the meaning given to it in the recitals of this Order;

"UC Riverdale" shall have the meaning given to it in the recitals of this Order;

"UC Leslieville Indemnity Agreement" means the indemnity agreement dated May 19, 2011 entered into between UC Leslieville (as principal), Alan Saskin, High Res. Inc., Urbancorp Toronto Management Inc. (as indemnitors) and Travelers.

"Ultimate Rescission Bar Date" means the date being ten (10) days after the Opt-In Deadline;

"Unit" means a residential unit in the Condominium to be registered against the Leslieville Project Lands and, in the case of a unit sold pursuant to a New Sale Transaction or a Subsequent Sale Transaction, includes a Parking Unit and Storage Unit, together with an undivided interest in the common elements appurtenant to such unit and the exclusive use of those parts of the common elements attaching to such unit, to the extent included in such sale transaction;

"Unpaid Leslieville Assignor" means a Leslieville Assignor who paid deposit monies to UC Leslieville pursuant to an Original Leslieville APS and has not been reimbursed for such deposit

- 37 -

monies by the applicable Leslieville Assignee for deposit monies paid by the Leslieville Assignor under the Original Leslieville APS;

“Unsold Unit” shall have the meaning given to it in paragraph 6 of this Order;

“UTMI” means Urbancorp Toronto Management Inc.;

“Vacant Lot” means the lands and premises situate in the City of Toronto, as more particularly described in **Schedule “F”** under the heading **“Vacant Lot”**;

“Vacant Lot Conditions” shall have the meaning given to them in the Craft Development Contract;

“Vendor” has the meaning given to it pursuant to the ONHWPA; and

“Waterfall” shall have the meaning given to it in paragraph 55 of this Order.

SCHEDULE "B" - CLAIMS TO BE EXPUNGED FROM TITLE TO REAL PROPERTY

1. Instrument No. AT2720786, registered June 15, 2011, being a charge in favour of Travelers Guarantee Company of Canada;
2. Instrument No. AT3081811, registered July 24, 2012, being a charge in favour of Canadian Imperial Bank of Commerce;
3. Instrument No. AT3082309, registered July 24, 2012, being a postponement of Travelers Insurance Company of Canada charge No. AT2720786 in favour of Canadian Imperial Bank of Commerce charge No. AT3081811;
4. Instrument No. AT3102606, registered August 16, 2012, being a notice with respect to Travelers Insurance Company of Canada charge No. AT2720786;
5. Instrument No. AT3954372, registered July 22, 2015, being a charge in favour of Terra Firma Capital Corporation;
6. Instrument No. AT3954373, registered July 22, 2015, being a notice of general assignment of rents in favour of Terra Firma Capital Corporation;
7. Instrument No. AT4011571, registered September 17, 2015, being a construction lien in favour of Alpa Stairs and Railings Inc.
8. Instrument No. AT4039964, registered October 19, 2015, being a certificate of action in favour of Alpa Stairs and Railings Inc.
9. Instrument No. AT4057394, registered November 3, 2015, being a construction lien registered in favour of EXP Services Inc.;
10. Instrument No. AT4072949, registered November 20, 2015, being a construction lien in favour of Roni Excavating Limited;
11. Instrument No. AT4072991, registered November 20, 2015, being a construction lien in favour of Orin Contractors Corp.;
12. Instrument No. AT4073814, registered November 23, 2015, being a construction lien in favour of Sterling Carpet & Tile;
13. Instrument No. AT4106412, registered December 30, 2015, being a certificate of action in favour of Roni Excavating Limited;
14. Instrument No. AT4106476, registered December 30, 2015, being a certificate of action in favour of Orin Contractors Corp.;
15. Instrument No. AT4129370, registered January 26, 2016, being a certificate of action in favour EXP Services Inc.

16. Instrument No. AT4140578, registered February 8, 2016, being a certificate of action in favour of Sterling Tile & Carpet;
17. Instrument No. AT4153410, registered February 25, 2016, being a construction lien in favour of Silvio Construction Co. Ltd.;
18. Instrument No. AT4165123, registered March 10, 2016, being a construction lien in favour of NG Marin Inc.;
19. Instrument No. AT4165218, registered March 11, 2016, being a construction lien in favour of Commercial Two Construction Inc.;
20. Instrument No. AT4165591, registered March 11, 2016, being a construction lien in favour of MDF Mechanical Limited;
21. Instrument No. AT4166872, registered March 14, 2016, being a construction lien in favour of Uptown Hardware Limited;
22. Instrument No. AT4181331, registered March 31, 2016, being a certificate of action in favour of Silvio Construction Co. Ltd.;
23. Instrument No. AT4194677, registered April 15, 2016, being a construction lien in favour of 207875 Ontario Limited;
24. Instrument No. AT4194686, registered April 15, 2016, being a construction lien in favour of Emergency Propane Services Inc.
25. Instrument No. AT4198081, registered April 20, 2016, being a construction lien in favour of Lido Construction Inc.
26. Instrument No. AT4200385, registered April 22, 2016, being a certificate of action in favour of Uptown Hardware Limited;
27. Instrument No. AT4200654, registered April 25, 2016, being a certificate of action in favour of MDF Mechanical Limited;
28. Instrument No. AT4211208, registered May 4, 2016, being a certificate of action in favour of NG Marin Inc.;
29. Instrument No. AT4215263, registered May 10, 2016, being a certificate of action in favour of Commercial Two Construction Inc.;
30. Instrument No. AT4229855, registered May 30, 2016, being a certificate of action in favour of 207875 Ontario Limited;
31. Instrument No. AT4229857, registered May 30, 2016, being a certificate of action in favour of Emergency Propane Services Inc.;

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32. Instrument No. AT4243741, registered June 10, 2016, being an application to register a court order of the Ontario Superior Court of Justice Commercial List appointing Alvarez & Marsal Canada Inc. as appointing receiver and construction lien trustee;
33. Instrument No. AT4244696, registered June 10, 2016, being a certificate of action in favour of Lido Construction Inc.; and
34. Together with such further Claims as may arise and/or be registered against title to the Leslieville Project Lands up to and including the time of closing of a New APS Transaction, a Subsequent Sale Transaction or such other transaction (as set out in more detail by way of solicitor's statement or affidavit annexed to the Transfer/Deed).

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**SCHEDULE "C" – PERMITTED ENCUMBRANCES, EASEMENTS AND
RESTRICTIVE COVENANTS RELATED TO THE REAL PROPERTY**

(unaffected by the Vesting Order)

1. Instrument No. AT2958528, registered March 2, 2012, being a transfer of easement in favour of Rogers Communications Inc.;
2. Instrument No. AT3708202, registered October 7, 2014, being a transfer of easement in favour of Bell Canada;
3. Instrument No. AT3728135, registered October 30, 2014, being a transfer of easement in favour of Enbridge Gas Distribution Inc.; and
4. Instrument No. AT4163132, registered March 8, 2016, being a Notice of Security Interest in favour of Genesis Home Services Inc.

SCHEDULE "D"
LIST OF LIEN CLAIMANTS

207875 Ontario Ltd (o/a Canadian Rental Centres)
Alpa Stairs and Railings Inc.
Commercial Two Construction Inc.
Emergency Propane Services Inc.
EXP Services Inc.
Lido Construction Inc.
MDF Mechanical Ltd.
NG Marin Inc.
Orin Contractors Corp.
Roni Excavating Limited
Silvio Construction Co. Ltd.
Sterline Carpet and Tile
Uptown Hardware Ltd

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SCHEDULE "E"**LIEN CLAIMANT ACTIONS**

	Plaintiff	Defendants	Court File No.
1.	207875 Ontario Limited	Urbancorp (Leslieville) Developments Inc., Urbancorp Construction Company Inc., Terra Firma Capital Corporation, Canadian Imperial Bank of Commerce, Travelers Insurance Company of Canada	CV-16-553611
2.	Alpa Stairs and Railings Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp (The Beach) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-15-537937
3.	Commercial Two Construction Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-552495
4.	Emergency Propane Services Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp Construction Company Inc., Terra Firma Capital Corporation, Canadian Imperial Bank of Commerce, Travelers Insurance Company of Canada	CV-16-553614
5.	EXP Services Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-545215

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	Plaintiff	Defendants	Court File No.
6.	Lido Construction Inc.	Urbancorp (Leslieville) Developments Inc., Urbancorp Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce, Terra Firma Capital Corporation	CV-16-554573
7.	MDF Mechanical Limited	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada also known as Travelers Insurance Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-551542
8.	NG Marin Inc.	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-552136
9.	Orin Contractors Corp.	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-15-543587
10.	Roni Excavating Limited	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-15-543574
11.	Silvio Construction Co. Ltd.	Urbancorp (Leslieville) Developments Inc., Urbancorp Toronto Management Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-549968

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	Plaintiff	Defendants	Court File No.
12.	Sterling Carpet & Tile	Urbancorp (Leslieville) Developments Inc., Urbancorp Inc., Urbancorp Financial Inc., Urbancorp Construction Company, Canadian Imperial Bank of Commerce, Travelers Insurance Company of Canada and Terra Firma Capital Corporation	CV-16-546232
13.	Uptown Hardware Limited	Urbancorp (Leslieville) Developments Inc., Travelers Guarantee Company of Canada, Canadian Imperial Bank of Commerce and Terra Firma Capital Corporation	CV-16-551471

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SCHEDULE "F"

Legal Description

Leslieville Project Lands - 50 Curzon Street, Toronto, Ontario

PIN 21051-0408 (LT)

Owner: Urbancorp (Leslieville) Developments Inc.

Firstly: Part Lot 11, Plan 61E Toronto; Part Lot 11, Concession 1 FTB, designated as Part 2, Plan 66R-25636; Secondly: Part Lot 11, Concession 1 FTB designated as Part 1, Plan 66R-25636; Thirdly: Part Lot 11, Concession 1 FTB commencing at an iron bar in the western limit of Curzon Street, distant 595.81 feet measured northerly therealong from the northern limit of Queen Street East; Thence north 16 degrees 00 minutes west along the said western limit of Curzon Street a distance of 65.70 feet to an iron bar; thence south 74 degrees 22 minutes 20 seconds west a distance of 252.43 feet to an iron pipe in the eastern limit of Lot 8, according to a Plan filed in the said Registry Office as number 61E; thence south 17 degrees 06 minutes east along the eastern limits of Lots 8 and 9 according to said Plan 61E a distance of 66.00 feet to a spike in a stump; Thence north 74 degrees 18 minutes 20 seconds east a distance of 251.17 feet to the point of commencement; subject to an easement as in AT2958528; subject to an easement as in AT3708202, subject to an easement as in AT3728135, City of Toronto

Vacant Lot

Owner: Urbancorp (Leslieville) Developments Inc.

Part of the Leslieville Project Lands designated as Part 10 on a draft reference plan of survey prepared by George C.M. Lo., Ontario Land Surveyor, of R. Avis Surveying Inc. dated January 28, 2015, the precise legal description for which will be set out in the Transfer/Deed to be delivered pursuant to the terms of the Order to which this schedule is annexed.

10:00 A.M.
COUNSEL SLIP

IN

COURT FILE NO CV-16-11409-00CL DATE MAY 2, 2017

NO ON LIST 10

TITLE OF
 PROCEEDING

✓ CANADIAN IMPERIAL BANK OF COMMERCE
 URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.
 et al.

COUNSEL FOR:

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APPLICANT(S)

PETITIONER(S)

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

SETTLEMENT APPROVAL ORDER

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Independent Counsel for Alvarez & Marsal Canada Inc., in its capacity as both Receiver and Manager, and Construction Lien Trustee of the assets, undertakings and property of Urbancorp (Leslieville) Developments Inc., Urbancorp (Riverdale) Developments Inc., and Urbancorp (The Beach) Developments Inc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

THURSDAY, THE 11th

MR. JUSTICE NEWBOULD

)

DAY OF MAY, 2017

)

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

**URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.,
URBANCORP (RIVERDALE) DEVELOPMENTS INC., &
URBANCORP (THE BEACH) DEVELOPMENTS INC.**

Respondents

APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, section 68 of the *Construction Lien Act*, R.S.O. 1990,
c. C.30, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**ORDER
(RE: AMENDING SETTLEMENT APPROVAL ORDER)**

THIS MOTION, made by Alvarez & Marsal Canada Inc. in its capacity as receiver and manager (in such capacity, the “**Receiver**”), pursuant to section 243 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, and in its capacity as construction lien trustee (in such capacity, the “**Construction Lien Trustee**”), pursuant to section 68 of the *Construction Lien Act*, R.S.O. 1990, c.C.30, as amended (the Receiver, together with the Construction Lien Trustee, the “**Construction Receiver**”), of all of the assets, undertakings, and property acquired for, or used in relation to the business, including all proceeds thereof (the “**Property**”) of Urbancorp (Leslieville) Developments Inc. (“**UC Leslieville**”), Urbancorp (Riverdale) Developments Inc. (“**UC Riverdale**”) and Urbancorp (The Beach) Developments Inc. (“**UC Beach**”, together with UC Riverdale, the “**Guarantors**”, and the Guarantors, together with UC Leslieville, the “**Debtors**”), for an order amending the order of Mr. Justice Newbould granted May 2, 2017 (the “**Settlement Approval Order**”), was heard this day in Toronto, Ontario.

ON READING the Notice of Motion dated April 21, 2017, the Second Report of the Construction Receiver dated April 21, 2017 (the “**Second Report**”) and the second supplementary report to the Second Report dated May 9, 2017 (the “**Second Supplement**”), and on hearing the submissions of counsel for the Construction Receiver, Canadian Imperial Bank of Commerce (as administrative agent and lender), the Ad Hoc Leslieville Purchasers, Terra Firma Capital Corporation, Travelers Guarantee Corporation of Canada, Tarion Warranty Corporation, and the counsel on the counsel slip, attached, no one appearing for any other person on the service list, although properly served with the Second Supplement as appears from the affidavit of service of Sonia Kohli sworn May 9, 2017 filed,

AMENDMENTS

1. **THIS COURT ORDERS** that the Settlement Approval Order is hereby amended as follows:

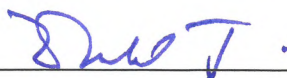
(a) Subparagraph 55(l) of the Settlement Approval Order shall be deleted in its entirety and replaced with the following:

“(l) twelfth, on a 50/50 basis between (i) Terra Firma (up to the remaining Terra Firma Indebtedness, if any) and (ii) the Opt-In Leslieville Purchasers for the aggregate amount of the Premiums paid by all Opt-In Leslieville Purchasers pursuant to the New APS (the “**Premium Reimbursement Claims**”), with such amount allocated to the Opt-In Leslieville Purchasers to be further allocated as among the Opt-In Leslieville Purchasers and the Lien Claimants in respect of the balance of their valid lien claims other than the Holdback Deficiencies paid above (the “**Lien Claimants Balance Claims**”), to be distributed on a *pari passu* and rateable basis among the Premium Reimbursement Claims and the Lien Claimants Balance Claims; subject to determination by the Court, if necessary of the appropriate allocation of the Lien Claimants Balance Claims to the respective Projects;”

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 11 2017

PER / PAR: 



10:00A-M
COUNSEL SLIP

N

COURT FILE NO. CV-16-11409-00CLDATE MAY 11, 2017NO ON LIST 3TITLE OF
PROCEEDING

CANADIAN IMPERIAL BANK OF COMMERCE
 v URBAN CORP (LESLIEVILLE) DEV. INC et al

COUNSEL FOR:

PLAINTIFF(S)

APPLICANT(S)

PETITIONER(S)

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 Pamela Huff for
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Corporation and Craft

Development Corporation

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER AMENDING
PURCHASER PACKAGE APPROVAL ORDER

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Independent Counsel for Alvarez & Marsal Canada Inc.,
in its capacity as both Receiver and Manager, and
Construction Lien Trustee of the assets, undertakings
and property of Urbancorp (Leslieville) Developments
Inc., Urbancorp (Riverdale) Developments Inc., and
Urbancorp (The Beach) Developments Inc.

TAB 14

(Existing Leslieville Purchasers)

AGREEMENT OF PURCHASE AND SALE

The undersigned, [REDACTED] (collectively, the "Purchaser"), hereby agrees with **URBANCORP (LESLIEVILLE) DEVELOPMENTS INC. ("UC Leslieville")**, by **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as the court appointed receiver and manager and construction lien trustee of all of the property, assets and undertaking of UC Leslieville and without personal or corporate liability (the "Receiver") (UC Leslieville, by its Receiver, hereafter the "Vendor") to purchase the above-noted unit, as outlined for identification purposes only, on the sketch attached hereto as Schedule "A", together with one (1) Parking Unit, which Parking Unit shall be allocated by the Vendor in its sole discretion, however the intent of the Vendor is to allocate Parking Units to Purchasers based on the plan attached hereto as Schedule "G", which may change prior to the Occupancy Date as determined by the Vendor; being proposed unit(s) in the Condominium, to be registered against those lands and premises situate in the City of Toronto, and which are currently municipally known as 50 Curzon Street and legally described in the Condominium Documents (hereinafter called the "Property"), together with an undivided interest in the common elements appurtenant to such unit(s) and the exclusive use of those parts of the common elements attaching to such unit(s), as set out in the proposed Declaration (collectively, the "Unit") on the following terms and conditions:

- (a) The purchase price of the Unit (the "Purchase Price") is **Eight Hundred Fifty-Four Thousand DOLLARS (\$854,000.00)** which amount shall be inclusive of HST, less the Rebate, in lawful money of Canada, payable as follows:
 - (b) to **Miller Thomson LLP** (the "Vendor's Solicitors" or "Escrow Agent" or "Trustee"), in trust, in the following amounts at the following times, by certified cheque or wire transfer, as deposits pending completion or other termination of this Agreement and to be credited on account of the Purchase Price on the Title Transfer Date:
 - (i) the sum of **Twenty-Thousand DOLLARS (\$20,000.00)** within (40) days from the Effective Date (the "New Deposit");
 - (ii) the Purchaser shall receive a credit on the final statement of adjustments for the sum of [REDACTED] which was paid under the Original APS (the "Old Deposit"), provided that if the Purchaser is an assignee under the Original APS, the Vendor shall have received from such Purchaser, evidence satisfactory to the Vendor, in its sole and absolute discretion, that the full amount of the Old Deposit has been paid or will be paid by the Purchaser to the assignor under the Original APS, in accordance with the Purchaser Package Approval Order;
 - (c) the balance of the Purchase Price by wire transfer or lawyer's certified trust cheque on the Title Transfer Date to the Vendor or as the Vendor may direct, subject to the adjustments hereinafter set forth.
2. (a) The Purchaser, or its permitted tenants or permitted assigns shall occupy the Unit on the Final Tentative Occupancy Date (as defined in the Statement of Critical Dates being part of the Taron Addendum), or such extended or accelerated date that the Unit is substantially completed by the Vendor for occupancy by the Purchaser in accordance with the terms of this Agreement including, without limitation, the Taron Addendum (the "Occupancy Date"). The Vendor, at its discretion and without obligation, shall be permitted a one-time unilateral right to extend a Firm Occupancy Date or Delayed

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Occupancy Date, as the case may be, for one (1) Business Day to avoid the necessary 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.

- (b) The transfer of title to the Unit shall be completed on the later of the Occupancy Date or a date established by the Vendor in accordance with Paragraph 14 hereof (the "Title Transfer Date").
- (c) The Purchaser hereby acknowledges that he/she/they has/have received a Disclosure Statement dated May 2, 2017, and accompanying documents in accordance with Section 72 of the Act, and a copy of this Agreement executed by the Vendor. The Purchaser hereby acknowledges that the Condominium Documents required by the Act have not been registered by the Vendor, and agrees that the Vendor may, from time to time, make any modification to the Condominium Documents in accordance with its own requirements and the requirements of any mortgagee, governmental authority, examiner of Legal Surveys, the Land Registry Office or any other competent authority having jurisdiction to permit registration thereof. The Purchaser further acknowledges having been advised by the Vendor that the Purchaser shall be entitled to rescind or terminate this Agreement for a period of ten (10) days following the date when the Purchaser executes and delivers a copy of this Agreement to the Vendor, by providing written notice of the Purchaser's desire to so rescind or terminate this Agreement to the Vendor or the Vendor's Solicitors within such ten (10) day period.

If the Purchaser exercises such right of rescission or termination within such ten (10) day period, the Vendor shall not be obligated to repay (i) any amount in respect of the Old Deposit, or (ii) any amounts paid by the Purchaser at any time (including under the Old APS) for extras or upgrades or changes ordered by the Purchaser, whether or not installed in the Unit, and the Purchaser's claims, if any, in respect of the Old Deposit shall be limited to claims against TWC in accordance with ONHWPA and/or claims against Travelers Guarantee Company of Canada, as applicable, and the Purchaser's claims, if any, in respect of any other amounts shall be limited to unsecured claims against the estate of UC Leslieville.

- (d) The Purchaser further acknowledges and agrees that in the event there is a material change (as defined in subsection 74(2) of the Act) to the Disclosure Statement, the Purchaser's only remedy shall be as set forth in subsection 74(6) of the Act in respect of the return of the New Deposit only, notwithstanding any rule of law or equity to the contrary.
3. (a) The covenants and obligations of the Vendor under this Agreement are conditional upon the Settlement Conditions having been satisfied or waived on or before the dates set out in the Settlement Conditions. The foregoing condition is for the benefit of the Vendor only and may only be waived in whole or in part by the Vendor by notice in writing to the Purchaser. The Purchaser shall promptly provide the Vendor with all such information and assistance within the Purchaser's power to reasonably assist the Vendor to obtain the Settlement Orders, including, without limitation, such information as the Court may require to reasonably evaluate the Purchaser's financial ability to perform its obligations under this Agreement. The Purchaser acknowledges and agrees that the Receiver has no duty or obligation to defend or respond to any appeal of all or any part of the Settlement Orders as initially granted by the Court.

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- (b) If the Settlement Conditions are not satisfied or waived on or before the dates set out in the Settlement Conditions, then this Agreement shall be null and void and of no further force or effect, and the provisions of Paragraph 20(a) shall be applicable. The Purchaser confirms that prior to signing this Agreement, he or she has carefully reviewed the entire Agreement, including without limitation, Paragraphs 20 and 30, and all Schedules attached hereto. The Purchaser confirms that he or she either has had the opportunity, prior to signing this Agreement and/or will during the 10 day rescission period review this Agreement with his or her solicitor.
- (c) The covenants and obligations of the Vendor and the Purchaser are also conditional upon there being, on or before the Title Transfer Date, no order issued by any Court or other governmental authority delaying, restricting or preventing, and no pending claim or judicial or administrative proceeding, or investigation against any party by any person, for the purpose of enjoining, delaying, restricting or preventing the consummation of the transaction hereunder or otherwise claiming that this Agreement or the consummation of the transaction hereunder is improper or would give rise to proceedings under any laws.

The following Schedules of this Agreement, if attached hereto, shall form a part of this Agreement.

Schedule "A" – Unit Plan/Sketch

Schedule "B" – Features and Finishes

Schedule "C" – Terms of Occupancy Licence

Schedule "D" – Warning Clauses

Schedule "F" – Extras

Schedule "G" – Proposed Parking Plan

Schedule "H" – Confirmation of Receipt

Schedule "P" – Purchaser Package Approval Order (Without Schedules)

Schedule "S" – Settlement Approval Order

Schedule "TA" – being the Tarion Warranty Corporation Statement of Critical Dates and Addendum to Agreement of Purchase and Sale (collectively the "**Tarion Addendum**").

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DATED, signed, sealed and delivered, this 3rd day of May, 2017.

Vendor's Solicitor:
 Miller Thomson LLP
 40 King Street West, Suite 5800
 Toronto, Ontario
 M5H 3S1
 Tel: (416) 595-8637
 Fax: (416) 595-8695
 Attn: Ron Fairbloom
 rfairbloom@millerthomson.com

URBANCORP (LESLIEVILLE) DEVELOPMENTS INC., by **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as the court appointed receiver and manager and construction lien trustee of all of the assets, undertaking and properties of **URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.**, and without personal or corporate liability

Per:

 Authorized Signing Officer

I have the authority to bind the Corporation.

Paragraphs 4 through 47 and Schedules "A", "B", "C", "D", "P", "G", "H", "P", "S" and "TA" attached to this Agreement are an integral part hereto and are contained on subsequent pages. The Purchaser acknowledges that he or she or they has read all Paragraphs and Schedules of this Agreement.

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

DATED at _____ this _____ day of _____, 2017.

**SIGNED, SEALED AND
 DELIVERED**

in the presence of

WITNESS

(as to all Purchasers
 signatures, if more than
 one purchaser)

)		
)	Purchaser's Signature	_____ [seal]
)	Purchaser's Name	_____
)	Date of Birth	_____
)	Social Insurance Number	_____
)		
)	Purchaser's Signature	_____ [seal]
)	Purchaser's Name	_____
)	Date of Birth	_____
)	Social Insurance Number	_____

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Purchaser's Solicitor: Marc A. Lean

Address: 199 Bay Street, Suite 2200, Toronto, ON M5L 1G4

Telephone: 416-777-4015 Facsimile: 1-844-670-6009 Email: mlean@dickinson-wright.com

The Purchaser's address for delivery of any notices pursuant to this Agreement or the Act is as follows:

Address: 

City: 

Province: 

Postal Code: 

Telephone (B): _____

(H): _____

Facsimile: _____

E-Mail address: 

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4. The meaning of words and phrases used in this Agreement and its Schedules shall have the meaning ascribed to them in the *Condominium Act, 1998*, S.O. 1998, C.19, the regulations thereunder and any amendments thereto (the "**Act**") and other terms used herein shall have ascribed to them the definitions in the Condominium Documents unless otherwise provided for as follows:
- (a) "**Act**" has the meaning given to it in the introduction to this Section 4;
 - (b) "**Ad Hoc Curzon Purchasers**" means those Existing Leslieville Purchasers represented by Dickinson Wright LLP;
 - (c) "**Administrative Agent**" means Canadian Imperial Bank of Commerce in its capacity as administrative agent for the Syndicate.
 - (d) "**Agreement**" means this Agreement of Purchase and Sale including all Schedules attached hereto and made a part hereof;
 - (e) "**Appointment Order**" means the order of the Court dated May 31, 2016 appointing Alvarez & Marsal Canada Inc. as receiver and manager and construction lien trustee of all of the assets, undertaking and properties of UC Leslieville, as amended or supplemented from time to time;
 - (f) "**Beach Sale Process Order**" means the sale process order of the Court dated May 2, 2017, as it may be amended, restated or supplemented from time to time with the consent or approval of the Receiver, Syndicate, Terra Firma and Craft;
 - (g) "**Condominium**" means the condominium which will be registered against the Property pursuant to the provisions of the Act;
 - (h) "**Condominium Documents**" means the Creating Documents, the by-laws and rules of the Condominium, the disclosure statement and budget statement together with all other documents and agreements which are entered into by the Vendor on behalf of the Condominium or by the Condominium directly prior to the turnover of the condominium, as may be amended from time to time;
 - (i) "**Court**" means the Ontario Superior Court of Justice [Commercial List];
 - (j) "**Court Ordered Charges**" means the Receiver's Borrowing Charge, the Receiver's Charge (each as defined in the Appointment Order) and such other charges granted by the Court in the Receivership Proceeding.
 - (k) "**CRA**" means the Canada Revenue Agency or its successors;
 - (l) "**Craft**" means C.R.A.F.T. Development Corporation;
 - (m) "**Creating Documents**" means the declaration and description which are intended to be registered against title to the Property and which will serve to create the Condominium, as may be amended from time to time;
 - (n) "**Development Agreement**" has the meaning given to it in Paragraph 10(a)(vi) hereof;
 - (o) "**DW Costs**" has the meaning given to it in Paragraph 7(l) hereof;

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- (p) **"Effective Date"** means the date upon which the Settlement Conditions are satisfied or waived and this Agreement becomes effective, written notice of which will be given to the Purchaser;
- (q) **"Escrow Agent"** has the meaning given to it in Paragraph 1(b) hereof;
- (r) **"Existing Leslieville Purchasers"** means a person who has entered into an Original APS with UC Leslieville, or where such person or persons has/have assigned its/their Original APS, the assignee(s) thereof;
- (s) **"Interim Occupancy"** means the period of time from the Occupancy Date to the Title Transfer Date;
- (t) **"ITA"** has the meaning given to it in Paragraph 6(a) hereof;
- (u) **"HST" or "Harmonized Sales Tax"** has the meaning given to it in Paragraph 7(g) hereof, and for greater certainty shall mean the harmonized and/or blended Ontario Retail Sales Tax (the **"RST"**) and federal Goods and Services Tax (the **"GST"**). Purchasers are advised that the rate of HST applicable to this transaction is 13 percent being comprised of five per cent GST and eight percent RST;
- (v) **"Levies"** has the meaning given to it in Paragraph 7(d)(ii) hereof;
- (w) **"Municipality"** has the meaning given to it in Paragraph 10(b) hereof;
- (x) **"New APS"** means the new agreements of purchase and sale, in substantially the form approved by the Purchaser Package Approval Order, entered into by Existing Leslieville Purchasers who have opted-in to the Proposed Settlement by the Opt-In Deadline, with such minor amendments as the Receiver may deem necessary or desirable;
- (y) **"New Deposit"** has the meaning given to it in Paragraph 1(b)(i) hereof;
- (z) **"Occupancy Date"** has the meaning given to it in Paragraph 2(a) hereof;
- (aa) **"Occupancy Fee"** means the sum of money payable monthly in advance by the Purchaser to the Vendor and calculated in accordance with Schedule "C" hereof;
- (bb) **"Occupancy Licence"** means the terms and conditions upon which the Purchaser shall occupy the Unit during Interim Occupancy as set forth in Schedule "C" hereof;
- (cc) **"Old Deposit"** has the meaning given to it in Paragraph 1(b)(ii) hereof;
- (dd) **"ONHWPA"** means the Ontario New Home Warranties Plan Act, R.S.O. 1990, c.O.31;
- (ee) **"Opt-In Deadline"** means May 19, 2017 at 5:00 p.m. (Toronto time);
- (ff) **"Opt-In Leslieville Purchaser"** means a purchaser who has an existing agreement of purchase and sale with UC Leslieville for a given unit in the Condominium (a) who has delivered a fully executed and completed Opt-In Package to the Construction Receiver in accordance with the Purchaser Package Approval Order, and (b) who has not rescinded its New APS by the applicable Rescission Bar Date;
- (gg) **"Opt-In Package"** has the meaning given to it in the Purchaser Package Approval Order;

- (hh) **"Original APS"** means the existing agreement of purchase and sale for the Unit entered into between UC Leslieville (as vendor) and the Purchaser (as purchaser), or the assignor thereof if the Purchaser is an assignee thereof, as amended or supplemented;
- (ii) **"Project Architect"** means Kasian Architects or such other architect as may be retained by Craft or the Vendor in connection with the completion of the Condominium;
- (jj) **"Property"** has the meaning given to it in the first paragraph on page 1 hereof;
- (kk) **"Proposed Settlement"** means the proposed settlement with respect to the Leslieville Project (as defined in the Settlement Approval Order) as approved by the Settlement Approval Order;
- (ll) **"Purchase Price"** has the meaning given to it in the introductory clause of Paragraph 1(a) hereof;
- (mm) **"Purchaser"** has the meaning given to it in the first paragraph on page 1 hereof;
- (nn) **"Purchaser Package Approval Order"** means the order of the Court dated May 2, 2017 pursuant to which the Court approved the form, and dissemination, of the purchaser information package with respect to the sale of units in the Condominium, including the Unit, a copy of which (without schedules) is attached hereto as Schedule "P", as it may be amended, restated or supplemented from time to time with the consent or approval of the Receiver, Syndicate, Terra Firma and Craft;
- (oo) **"Rebate" or "Rebates"** has the meaning given to it in Paragraph 7(f) hereof, and for greater certainty 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 to the Vendor as hereinafter set out;
- (pp) **"Receiver"** has the meaning given to it in the first paragraph on page 1 hereof;
- (qq) **"Receivership Administration Order"** means the receivership administration order of the Court dated May 2, 2017, which among other things, authorizes an increase of borrowings by the Receiver, as it may be amended, restated or supplemented from time to time with the consent or approval of the Receiver, Syndicate, Terra Firma and Craft;
- (rr) **"Receivership Proceeding"** means the receivership proceeding with respect to UC Leslieville commenced by the Appointment Order bearing Court File No. CV-16-11409-00CL;
- (ss) **"Requirements"** has the meaning given to it in Paragraph 46;
- (tt) **"Rescission Bar Date"** has the meaning given to in the Purchaser Package Approval Order;
- (uu) **"Service Supplier"** has the meaning given to it in Paragraph 7(e) hereof;

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- (vv) **"Settlement Approval Order"** means the settlement approval order of the Court dated May 2, 2017 which among other things, authorizes the sale of this Unit by the Receiver on behalf of and in the name of UC Leslieville, as Vendor, a copy of which is attached hereto as Schedule "S", as it may be amended, restated or supplemented from time to time with the consent or approval of the Receiver, Syndicate, Terra Firma, Craft and the Ad Hoc Curzon Purchasers;
- (ww) **"Settlement Conditions"** means:
 - (i) the Settlement Approval Order becomes effective in accordance with its terms on or before the Settlement Orders Outside Date and the Receiver has filed a certificate with the Court confirming the same;
 - (ii) each of the Settlement Orders becomes a final order of the Court on or before the Settlement Orders Outside Date, which means that each of such orders is not appealed before the expiry of the applicable appeal period, or if it is appealed, such appeal is finally determined in favour of the Receiver by the Settlement Orders Outside Date. The Receiver is under no obligation to defend or respond to any appeal of any of such orders;
 - (iii) all of the conditions precedent under the Settlement Definitive Agreements have been satisfied or waived in accordance with such Settlement Definitive Agreements by the Settlement Orders Outside Date; and
 - (iv) the Purchaser is an Opt-In Leslieville Purchaser in accordance with the terms of the Purchaser Package Approval Order by the Rescission Bar Date applicable to it;
- (xx) **"Settlement Definitive Agreements"** means the Craft Development Contract, the Craft Construction Contract, the Syndicate Construction Loan Agreement, the Craft Loan Agreement and the TF Cost Overrun Agreement, each as defined in the Settlement Approval Order, as each may be amended, restated or supplemented from time to time in accordance with the terms thereof;
- (yy) **"Settlement Orders"** means the Purchaser Package Approval Order, Settlement Approval Order, the Receivership Administration Order and the Beach Sale Process Order;
- (zz) **"Settlement Orders Outside Date"** means August 31st, 2017, which date may be extended from time to time by the Vendor by notice in writing to the Purchaser (or his/her solicitors) to such later date as may be agreed to by the Vendor, Terra Firma and the Administrative Agent;
- (aaa) **"Syndicate"** means Canadian Imperial Bank of Commerce, Canadian Western Bank and Laurentian Bank of Canada (and their respective assignees from time to time), as lenders to UC Leslieville and the Receiver, respectively;
- (bbb) **"Tarion Addendum"** has the meaning given to it in the list of Schedules on page 3 of this Agreement;
- (ccc) **"Terra Firma"** means Terra Firma Capital Corporation;
- (ddd) **"Title Transfer Date"** has the meaning given to it in Paragraph 2(b) hereof;

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- (eee) "Trustee" has the meaning given to it in Paragraph 1(b) hereof;
- (fff) "TWC" means Tarion Warranty Corporation or its successors;
- (ggg) "UC Leslieville" has the meaning given to it in the first paragraph on page 1 hereof;
- (hhh) "Unit" has the meaning given to it in the first paragraph on page 1 hereof;
- (iii) "Vendor" has the meaning given to it in the first paragraph on page 1 hereof;
- (jjj) "Vendor's Representatives" shall mean the Receiver's agents, directors, officers, partners, affiliates, employees, representatives, consultants, advisers and contractors (including Craft as the developer of the Property to be retained by the Vendor or such other developer of the Property as may be retained by the Vendor who replaces Craft); and
- (kkk) "Vendor's Solicitors" has the meaning given to it in Paragraph 1(b) hereof.

Finishes

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

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 Unit may vary from Vendor's samples or as otherwise shown to the Purchaser as a result of normal manufacturing and installation processes and/or 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

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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 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.

Notwithstanding anything herein contained to the contrary, the Purchaser acknowledges and agrees that if upon the Title Transfer Date, any of the extras, upgrades or changes paid for by the Purchaser as described in Schedule "F" attached hereto remain incomplete in whole or in part or if the Vendor shall, in its sole discretion, determine that it will not provide extras, upgrades or changes or cannot complete the extras, upgrades or changes paid for as described in Schedule "F", then there shall be credit given to the Purchaser on the final statement of adjustments in an amount equal to that portion of the amount paid by the Purchaser as specifically set out in Schedule "F" attached hereto, in connection with such extras, upgrades or changes which remain incomplete in whole or in part as aforesaid, as determined by the Vendor. The Purchaser further acknowledges and agrees that the credit given to the Purchaser in the statement of adjustments 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. The Purchaser further acknowledges that the Vendor's liability with respect to such incomplete extras, upgrades or changes shall be limited to the credit provided to the Purchaser in the final statement of adjustments referred to aforesaid and, thereafter, there shall be no further liability upon the Vendor in connection with such incomplete extras, upgrades or changes and upon such credit being given, the Vendor shall be deemed to have been released from any and all obligations, claims or demands whatsoever with respect to such incomplete extras, upgrades or changes.

Deposits

6. (a) The Vendor shall credit the Purchaser with interest at the prescribed rate on the Title Transfer Date on the New Deposit only from the date of deposit of the money received from time to time by the Vendor's Solicitors or the Trustee until the Occupancy Date. The Purchaser acknowledges and agrees that, for the purposes of subsection 81(6) of the Act, compliance with the requirement to provide written evidence, in the form prescribed by the Act, of payment of monies by or on behalf of the Purchaser on account of the Purchase Price of the Unit shall be deemed to have been sufficiently made by delivery of such written evidence to the address of the Purchaser noted on page 3 of this Agreement. The Purchaser further acknowledges and agrees that any cheques provided to the Vendor on account of the Purchase Price will not be deposited and accordingly interest as prescribed by the Act will not accrue thereon, until after the expiry of the ten (10) day rescission period as provided for in Section 73 of the Act (or any extension thereof as may be agreed to in writing by the Vendor). The Purchaser represents and warrants that, except as expressly stated in this Agreement, the Purchaser is not a non-resident of Canada within the meaning of the Income Tax Act of Canada (the "ITA"). If the Purchaser is not a resident of Canada for the purposes of the ITA the Vendor shall be entitled to withhold and remit to CRA the appropriate amount of interest payable to the Purchaser on account of the deposits paid hereunder, under the ITA.
- (b) The New Deposit shall be held by the Vendor's Solicitor in a designated trust account, and shall be released only in accordance with the provisions of subsection 81(7) of the Act and the regulations thereto, as amended and in accordance with this Agreement.

Adjustments

7. (a) Commencing as of the Occupancy Date, the Purchaser shall be responsible and be obligated to pay the following costs and/or charges in respect to the Unit:
 - (i) all utility costs including electricity, gas and water (unless included as part of the common expenses); and
 - (ii) the Occupancy Fee owing by the Purchaser for Interim Occupancy prior to the Title Transfer Date (if applicable).
- (b) The Purchase Price shall be adjusted to reflect the following items, which shall be apportioned and allowed from the Title Transfer Date, with that day itself apportioned to the Purchaser:
 - (i) realty taxes (including local improvement charges pursuant to the *Local Improvement Charges Act*, if any) which may be estimated as if the Unit has been assessed as fully completed by the taxing authority for the calendar year in which the transaction is completed as well as for the following calendar year, notwithstanding the same may not have been levied or paid on the Title Transfer Date. The Vendor shall be entitled in its sole discretion to collect from the Purchaser a reasonable estimate of the taxes as part of the Occupancy Fee and/or such further amounts on the Title Transfer Date, provided all amounts so collected shall be remitted to the relevant taxing authority on account of the Unit. Alternatively, the Vendor in its sole discretion, shall be entitled to provide a credit in favour of the Purchaser on the final statement of adjustments in an amount equal to the realty tax component of the Occupancy Fees paid, and adjust separately for realty taxes based on the land only. In such event, the Purchaser shall assume and be solely responsible for any and all OMIT or supplementary taxes assessed against the Unit, including any such OMIT or supplementary taxes assessed for a period prior to the Title Transfer Date. In addition, the Vendor shall not be required to readjust for any realty taxes following the Title Transfer Date, and no undertaking to readjust shall be provided to the Purchaser. Notwithstanding the foregoing, the Purchaser shall complete the transaction contemplated by this Agreement on the Title Transfer Date, without holdback or abatement of any kind.
 - (ii) common expense contributions attributable to the Unit, with the Purchaser being obliged to provide the Vendor on or before the Title Transfer Date with a series of post-dated cheques payable to the condominium corporation for the common expense contributions attributable to the Unit, for such period of time after the Title Transfer Date as determined by the Vendor (but in no event for more than one year).
- (c) Interest on all money paid by the Purchaser on account of the Purchase Price, shall be adjusted and credited to the Purchaser in accordance with Paragraph 6 of this Agreement.
- (d) The Purchaser shall, in addition to the Purchase Price, pay the following amounts to the Vendor on the Title Transfer Date:
 - (i) any new taxes imposed on the Unit by the federal, provincial, or municipal government or any increases to existing taxes currently imposed on the Unit by such government;

- (ii) the amount of any increase in development charge(s) and/or education development charge(s) (the "Levies") assessed against or attributable to the Unit (or assessed against the Property or any portion thereof, and attributable to the Unit by pro-rating same in accordance with the proportion or percentage of common interests attributable thereto), pursuant to the Development Charges Act, 1997, S.O. 1997, c.27 as amended from time to time, and the Education Act, R.S.O. 1990, c. E.2, as amended from time to time, in excess of the Levies paid by UC Leslieville or any other person on or before April 18, 2017 with respect to the Property or any portion thereof; provided that the Purchaser shall be entitled to a credit of up to \$2,500 against such increase, with the adjustment under this section 7(d)(ii) being zero if the increase in Levies allocated as aforesaid to any individual Unit is equal to or less than \$2,500.
- (iii) the amount of any parks levy or any charges pursuant to a Section 37 Agreement (pursuant to the *Planning Act*), levied, charged or otherwise imposed with respect to the Condominium, the Property or the Unit by any governmental authority, which is equivalent to the common interest allocation attributable to the Unit as set out in Schedule "D" to the Declaration;
- (iv) the cost of the TWC enrolment fee for the Unit (together with any provincial or federal taxes exigible with respect thereto);
- (v) the cost of utility meter installations, water and sewer service connection charges, hydro and gas meter or sub-meter installation, and hydro and gas installation and connection or energization charges for the Condominium and/or the Unit; the Purchaser's portion of such installation and/or connection or energization charges and costs to be calculated by dividing the total amount of such charges and costs by the number of residential dwelling units in the registered Condominium and by charging the Purchaser in the statement of adjustments with that portion of the charges and costs. A letter from the Vendor's or Vendor's Representative's engineers specifying the said charges and costs shall be final and binding on the Purchaser;
- (vi) the charge imposed upon the Vendor or its solicitors by the Law Society of Upper Canada upon registration of a Transfer/Deed of Land or Charge/Mortgage of Land or any other instrument;
- (vii) a sum of Fifty Dollars (\$50.00) for the cheque tendered pursuant to Paragraph 1(b) of this Agreement and for any cheque tendered for any other monies paid on account of the Purchase Price up to, but not including the Title Transfer Date representing a reasonable reimbursement to the Vendor of the costs incurred or to be incurred by the Vendor in fulfilment of the requirements of subsection 81(6) of the Act;
- (viii) the sum of Two Hundred Dollars (\$200.00) payable to the Corporation for deposit to the Reserve Fund Account;
- (ix) the cost of providing a status certificate in the maximum amount allowed pursuant to the Act;
- (x) 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 Title Transfer Date an administration fee of two hundred 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

- (e) The Purchaser acknowledges that it may be required to enter into an agreement with the supplier of hydro services and/or geothermal heating and cooling services to the Condominium or Unit (the "**Service Supplier**") on or before the Occupancy Date. Furthermore, the Purchaser acknowledges that such agreement may require the Purchaser to deliver a security deposit to the Service Supplier prior to the Occupancy Date and the Purchaser agrees to deliver such security deposit to the Vendor on the Occupancy Date.
- (f) It is acknowledged and agreed by the parties hereto that the Purchase Price already includes a component equivalent to both the federal portion and, if applicable, the provincial portion of the harmonized goods and services tax or single sales tax exigible with respect to this purchase and sale transaction (hereinafter referred to as the "**HST**") less the Rebate as defined below, and that the Vendor shall remit the HST to CRA on behalf of the Purchaser forthwith following the completion of this transaction. Where the Purchaser intends to avail himself/herself of the HST rebate on the statement of adjustments, the Purchaser hereby warrants and represents to the Vendor that with respect to this transaction, the Purchaser qualifies for the new housing rebate applicable pursuant to Section 254 of the *Excise Tax Act* (Canada), as may be amended, and the new housing rebate announced by the Ontario Ministry of Revenue (collectively, the "**Rebate**"), in its Information Notice dated June 2009 - No. 2 (the "**Ontario Circular**") and further warrants and represents that the Purchaser is a natural person who is acquiring the Property with the intention of being the sole beneficial owner thereof on the Title Transfer Date (and not as the agent or trustee for or on behalf of any other party or parties), and covenants that upon the Occupancy Date the Purchaser or one or more of the Purchaser's relations (as such term is defined in the *Excise Tax Act*) shall personally occupy the Unit as his primary place of residence, for such period of time as shall be required by the *Excise Tax Act*, and any other applicable legislation, in order to entitle the Purchaser to the Rebate (and the ultimate assignment thereof to and in favour of the Vendor) in respect of the Purchaser's acquisition of the Unit. The Purchaser further warrants and represents that he has not claimed (and hereby covenants that the Purchaser shall not hereafter claim), for the Purchaser's own account, any part of the Rebate or the RST transitional housing rebate referred to in the Ontario Circular (the "**Transitional Rebate**") in connection with the Purchaser's acquisition of the Unit, save as may be otherwise hereinafter expressly provided or contemplated. The Purchaser hereby irrevocably assigns to the Vendor all of the Purchaser's rights, interests and entitlements to the Rebate and the Transitional Rebate (and concomitantly releases all of the Purchaser's claims or interests in and to the Rebate and the Transitional Rebate, to and in favour of the Vendor), and hereby irrevocably authorizes and directs CRA to pay or credit the Rebate and the Transitional Rebate directly to the Vendor. In addition, the Purchaser shall execute and deliver to the Vendor, forthwith upon the Vendor's or

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Vendor's solicitors request for same (and in any event on or before the Title Transfer Date), all requisite documents and assurances that the Vendor or the Vendor's solicitors may reasonably require in order to confirm the Purchaser's entitlement to the Rebate and/or to enable the Vendor to obtain the benefit of the Rebate and the Transitional Rebate (by way of assignment or otherwise), including without limitation, the New Housing Application for Rebate of Goods and Services Tax Form as prescribed from time to time (collectively, the "**Rebate Forms**"). The Purchaser covenants and agrees to indemnify and save the Vendor harmless from and against any loss, cost, damage and/or liability (including an amount equivalent to the Rebate and the Transitional Rebate, plus penalties and interest thereon) which the Vendor may suffer, incur or be charged with, as a result of the Purchaser's failure to qualify for the Rebate, or as a result of the Purchaser having qualified initially but being subsequently disentitled to the Rebate, or as a result of the inability to assign the benefit of the Rebate or the Transitional Rebate to the Vendor (or the ineffectiveness of the documents purporting to assign the benefit of the Rebate or the Transitional Rebate to the Vendor). As security for the payment of such amount, the Purchaser does hereby charge and pledge his interest in the Unit with the intention of creating a lien or charge against same. It is further understood and agreed by the parties hereto that:

- (i) if the Purchaser does not qualify for the Rebate, or fails to deliver to the Vendor or the Vendor's solicitors forthwith upon the Vendor's or the Vendor's solicitors request for same (and in any event on or before the Title Transfer Date) the Rebate Forms duly executed by the Purchaser, together with all other requisite documents and assurances that the Vendor or the Vendor's solicitors may reasonably require from the Purchaser or the Purchaser's solicitor in order to confirm the Purchaser's eligibility for the Rebate and/or to ensure that the Vendor ultimately acquires (or is otherwise assigned) the benefit of the Rebate and the Transitional Rebate; or
- (ii) if the Vendor believes, for whatever reason, that the Purchaser does not qualify for the Rebate, regardless of any documentation provided by or on behalf of the Purchaser (including any statutory declaration sworn by the Purchaser) to the contrary, and the Vendor's belief or position on this matter is communicated to the Purchaser or the Purchaser's solicitor on or before the Title Transfer Date;

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

- (g) Notwithstanding any other provision herein contained in this Agreement, the Purchaser acknowledges and agrees that the Purchase Price does not include any HST exigible with

respect to any of the adjustments payable by the Purchaser pursuant to this Agreement, or any extras or upgrades or changes purchased, ordered or chosen by the Purchaser from the Vendor which are not specifically set forth in this Agreement, and the Purchaser covenants and agrees to pay such HST to the Vendor in accordance with the *Excise Tax Act*. In addition, and without limiting the generality of the foregoing, in the event that the Purchase Price is increased by the addition of extras, changes, upgrades or adjustments and as a result of such increase, the quantum of the Rebate that would otherwise be available is reduced or extinguished (the quantum of such reduction being hereinafter referred to as the "**Reduction**"), then the Purchaser shall pay to the Vendor on the Title Transfer Date the amount of (as determined by the Vendor in its sole and absolute discretion) the Reduction..

- (h) An administration fee of Two Hundred and Fifty Dollars (\$250.00) shall be charged to the Purchaser for any cheque payable hereunder delivered to the Vendor or to the Vendor's Solicitors and not accepted by the Vendor's or the Vendor's Solicitor's bank for any reason. At the Vendor's option, this administration fee can be collected as an adjustment on the Title Transfer Date or together with the replacement cheque delivered by the Purchaser.
- (i) All Opt-In Leslieville Purchasers acknowledge that the Ad Hoc Curzon Purchasers have incurred and are liable to Dickinson Wright LLP for certain legal costs, disbursements and HST ("DW Costs") in respect of the Property, including but not limited to the Proposed Settlement, and agree that every Opt-In Leslieville Purchaser (whether or not an Ad Hoc Curzon Purchaser) shall pay his or her proportionate share of the DW Costs to the Vendor as an adjustment on the Statement of Adjustments, on the Title Transfer Date. The Vendor agrees to receive such payment of Costs in trust for the benefit of Dickinson Wright LLP and to pay the same to Dickinson Wright LLP as soon as practicable following closing on the Title Transfer Date. Every Opt-In Leslieville Purchaser who is not current with his or her payments of DW Costs on the Transfer Title Date, will make his or her accounting current by providing an adjustment on the Statement of Adjustments on that date. For certainty, the proportionate share of each Opt-In Leslieville Purchaser of the DW Costs shall be as calculated by Dickinson Wright LLP and notified in writing to the Vendor and shall be based on the number of Ad Hoc Curzon Purchasers plus the number of Opt-In Leslieville Purchasers who were not Ad Hoc Curzon Purchasers.

Title

- 8. The Vendor or the Vendor's Solicitors shall notify the Purchaser or his/her Solicitor following registration of the Creating Documents so as to permit the Purchaser or his/her Solicitor to examine title to the Unit (the "**Notification Date**"). The Purchaser shall be allowed twenty (20) days from the Notification Date (the "**Examination Period**") to examine title to the Unit at the Purchaser's own expense and shall not call for the production of any surveys, title deeds, abstracts of title, grading certificates, occupancy permits or certificates, nor any other proof or evidence of the title or occupiability of the Unit, except such copies thereof as are in the Vendor's possession. If within the Examination Period, any valid objection to title or to any outstanding work order is made in writing to the Vendor which the Vendor shall be unable or unwilling to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intervening acts or negotiations in respect of such objections, be null and void and the deposit monies (other than the Old Deposit) together with the interest required by the Act to be paid after deducting any payments due to the Vendor by the Purchaser as provided for in this Agreement shall be returned to the Purchaser and the Vendor shall have no further liability or obligation.

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hereunder and shall not be liable for any costs or damages. Save as to any valid objections so made within the Examination Period, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Unit. The Purchaser acknowledges and agrees that the Vendor shall be entitled to respond to some or all of the requisitions submitted by or on behalf of the Purchaser through the use of a standard title memorandum or title advice statement prepared by the Vendor's Solicitors, and that same shall constitute a satisfactory manner of responding to the Purchaser's requisitions, thereby relieving the Vendor and the Vendor's Solicitors of the requirement to respond directly or specifically to the Purchaser's requisitions.

Direction Re: Title

9. Subject to the restrictions contained in Paragraph 17, the Purchaser hereby agrees to submit to the Vendor or the Vendor's Solicitors on the earlier of the Occupancy Date and twenty (20) days prior to the Title Transfer Date, an irrevocable direction to the Vendor indicating and confirming the manner in which the Purchaser wishes to take title to the Units, accompanied by the date of birth, marital status and social insurance number of each person approved by the Vendor to take title to the Units and the Purchaser shall be required to close the transaction in the manner so advised unless the Vendor otherwise consents in writing, which consent may be arbitrarily withheld. If the Purchaser does not submit such confirmation within the required time as aforesaid the Vendor shall be entitled to tender a Transfer/Deed on the Title Transfer Date engrossed in the name of the Purchaser as shown on the face of this Agreement. The Vendor shall have the right to reject any direction given by the Purchaser if the Vendor believes, in its discretion, that the direction violates the terms of Paragraph 17, herein.

Permitted Encumbrances

10. (a) The Purchaser agrees to accept title subject to the following:
 - (i) the Condominium Documents, notwithstanding that they may be amended and varied from the proposed Condominium Documents in the general form attached to the Disclosure Statement delivered to the Purchaser and as described in Schedule "H" hereto;
 - (ii) registered restrictions or covenants that run with the Property, including any encroachment agreement(s) with any governmental authorities or adjacent land owner(s), provided that same are complied with as at the Title Transfer Date;
 - (iii) easements, rights of way and/or licences now registered (or to be registered hereafter) for the purposes of discharging, emitting, releasing or venting thereon or otherwise affecting the Property at any time during the day or night with noise, vibration and other sounds, excluding spills, and other emissions of every nature and kind whatsoever arising from, out of or in connection with any and all present and future railway facilities and operations upon the railway lands located in proximity to the Property;
 - (iv) notices of security interest in respect of any equipment owned by an equipment lessor or supplier of heating and cooling as more particularly described in the Condominium Documents;
 - (v) easements, rights-of-way and/or licences now registered (or to be registered hereafter) for the supply and installation of utility services, drainage, telephone services, electricity, gas, storm and/or sanitary sewers, water, cable television/internet, recreational and shared facilities, and/or any other service(s)

to or for the benefit of the Condominium (or to any adjacent or neighbouring properties), including any easement(s) which may be required by the Vendor (or by the owner of the Property, if not one and the same as the Vendor), or by any owner(s) of adjacent or neighbouring properties, for servicing and/or access to (or entry from) such properties, together with any easement and cost-sharing agreement(s) or reciprocal agreement(s) confirming (or pertaining to) any easement or right-of-way for access, egress, support and/or servicing purposes, and/or pertaining to the sharing of any services, facilities and/or amenities with adjacent or neighbouring property owners as such term is defined in the Condominium Documents), provided that any such easement and cost-sharing agreements or reciprocal agreements are (insofar as the obligations thereunder pertaining to the Property, or any portion thereof, are concerned) complied with as at the Title Transfer Date;

- (vi) registered municipal agreements and registered agreements with publicly regulated utilities and/or with local ratepayer associations, including without limitation, any development, site plan, condominium, subdivision, Section 37, collateral, limiting distance, engineering and/or other municipal agreement (or similar agreements entered into with any governmental authorities including any amendments or addenda related thereto), (with all of such agreements being hereinafter collectively referred to as the "Development Agreements"), provided that same are complied with as at the Title Transfer Date, or security has been posted in such amounts and on such terms as may be required by the governmental authorities to ensure compliance therewith and/or the completion of any outstanding obligations thereunder; and
 - (vii) unregistered or inchoate liens for unpaid utilities in respect of which no formal bill, account or invoice has been issued by the relevant utility authority (or if issued, the time for payment of same has not yet expired), without any claim or request by the Purchaser for any utility holdback(s) or reduction/abatement in the Purchase Price, provided that the Vendor delivers to the Purchaser the Vendor's written undertaking to pay all outstanding utility accounts owing with respect to the Property (including any amounts owing in connection with any final meter reading(s) taken on or immediately prior to the Title Transfer Date, if applicable), as soon as reasonably possible after the completion of this transaction.
- (b) It is acknowledged and agreed that the Vendor shall not be obliged to obtain or register on title to the property a release of (or an amendment to) any of the aforementioned easements, Development Agreements, reciprocal agreements or restrictive covenants or any of the other aforementioned agreements or notices, nor shall the Vendor be obliged to have any of same deleted from the title to the Property, and the Purchaser hereby expressly acknowledges and agrees that the Purchaser shall satisfy himself or herself as to compliance therewith. The Purchaser agrees to observe and comply with the terms and provisions of the Development Agreements, and all restrictive covenants registered on title. The Purchaser further acknowledges and agrees that the retention by the local municipality within which the Property is situate (the "Municipality"), or by any of the other governmental authorities, of security (e.g. in the form of cash, letters of credit, a performance bond, etc., satisfactory to the Municipality and/or any of the other governmental authorities intended to guarantee the fulfilment of any outstanding obligations under the Development Agreements shall, for the purposes of the purchase and sale transaction contemplated hereunder, be deemed to be satisfactory compliance with the terms and provisions of the Development Agreements. The Purchaser also

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acknowledges that the wires, cables and fittings comprising the cable television system serving the Condominium are (or may be) owned by the local cable television supplier and that any geothermal system serving the Unit and/or the Condominium does not form part of the common property and may be sold to a third party service provider.

- (c) The Purchaser covenants and agrees to consent to the matters referred to in subparagraph 10(a) hereof and to execute all documents and do all things requisite for this purpose, either before or after the Title Transfer Date.
- (d) The Purchaser agrees to accept a conveyance of title to the Unit pursuant to the Settlement Approval Order.
- (e) The Vendor shall be entitled to obtain from the Purchaser specific covenants by the Purchaser pertaining to any or all of the restrictions, easements, covenants and agreements referred to herein and in the Condominium Documents, and in such case, the Purchaser may be required to deliver separate written covenants on closing. If so requested by the Vendor, the Purchaser covenants to execute all documents and instruments required to convey or confirm any of the easements, licences, covenants, agreements, and/or rights, required pursuant to this Agreement and shall observe and comply with all of the terms and provisions therewith. The Purchaser may be required to obtain a similar covenant (enforceable by and in favour of the Vendor), in any agreement entered into between the Purchaser and any subsequent transferee of the Unit.

Vendor's Lien

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

Construction Lien Act

- 12. The Purchaser covenants and agrees that he/she is a "home buyer" within the meaning of the *Construction Lien Act*, R.S.O. 1990, c.C.30 and will not claim any lien holdback on the Occupancy Date or Title Transfer Date. Subject to the rights of the Vendor under Paragraph 20(b), the Vendor shall complete the remainder of the Condominium according to its schedule of completion and neither the Occupancy Date nor the Title Transfer Date shall be delayed on that account.

The Planning Act

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

Title Transfer Date

- 14. (a) The provisions of the Taron Addendum reflect the TWC's policies, regulations and/or guidelines on extensions of the Final Tentative Occupancy Date, but it is expressly understood and agreed by the parties hereto that any failure to provide notice of the extension of the Final Tentative Occupancy Date or Firm Occupancy Date, in accordance with the provisions of the Taron Addendum shall only give rise to a damage claim by the Purchaser against the Vendor (and for greater certainty, not against the Receiver) up to a maximum of **Seven Thousand Five Hundred Dollars (\$7,500.00)**, as more particularly

set forth in the Regulations to the ONHWP, and under no circumstances shall the Purchaser be entitled to terminate this transaction or otherwise rescind this Agreement as a result thereof, other than in accordance with the Tarion Addendum.

- (b) The Vendor's Solicitors shall designate a date not less than twenty (20) days after written notice is given to the Purchaser or his or her solicitor of the registration of the Creating Documents as the Title Transfer Date. The Title Transfer Date once designated may be extended from time to time by the Vendor's Solicitors provided that it shall not be more than twenty-four (24) months following the Occupancy Date.

Purchaser's Covenants, Representations and Warranties

15. The Purchaser covenants and agrees that this Agreement is subordinate to and postponed to any mortgages, or Court Ordered Charges arranged by UC Leslieville, the Vendor or the Receiver and any advances thereunder from time to time, and to any easement, license or other agreement concerning the Condominium and the Condominium Documents. The Purchaser further agrees to consent to and execute all documentation as may be required by the Vendor in this regard and the Purchaser hereby irrevocably appoints the Vendor as the Purchaser's attorney to execute any consents or other documents required by the Vendor to give effect to this Paragraph. The Purchaser hereby consents to the Vendor obtaining a consumer's report containing credit and/or personal information for the purposes of this transaction. The Purchaser further agrees to deliver to the Vendor within ten (10) days of execution of this Agreement and then again from time to time, within ten (10) days of written demand from the Vendor, all necessary financial and personal information required by the Vendor in order to evidence the Purchaser's ability to pay the balance of the Purchase Price on the Title Transfer Date, including without limitation, written confirmation of the Purchaser's income and evidence of the source of the payments required to be made by the Purchaser in accordance with this Agreement. Without limiting the generality of the foregoing and notwithstanding any other provision in this Agreement to the contrary, within ten (10) days of written demand from the Vendor, the Purchaser agrees to produce evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Title Transfer Date. If the Purchaser fails to provide the mortgage approval as aforesaid, then the Purchaser shall be deemed to be in default under this Agreement. The Vendor may, in its sole discretion, elect to accept in the place of such mortgage commitment, other evidence satisfactory to the Vendor that the Purchaser will have sufficient funds to pay the balance due on the Title Transfer Date.
16. The Purchaser acknowledges that notwithstanding any rule of law to the contrary, that by executing this Agreement, it has not acquired any equitable or legal interest in the Unit or the Property. The Purchaser covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, Purchaser's Lien, or any other document providing evidence of this Agreement against title to the Property, Unit or the Condominium and further agrees not to give, register, or permit to be registered any encumbrance against the Property, Unit or the Condominium. Should the Purchaser be in default of his or her or their obligations hereunder, the Vendor may, as agent and attorney of the Purchaser, cause the removal of notice of this Agreement, caution or other document providing evidence of this Agreement or any assignment thereof, from the title to the Property, Unit or the Condominium. In addition, the Vendor, at its option, shall have the right to declare this Agreement null and void in accordance with the provisions of Paragraph 27 hereof. The Purchaser hereby irrevocably consents to a court order removing such notice of this Agreement, any caution, certificate of pending litigation, or any other document or instrument whatsoever from title to the Property, Unit or the

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Condominium and the Purchaser agrees to pay all of the Vendor's costs and expenses in obtaining such order (including the Vendor's Solicitor's fees on a full indemnity basis).

17. The Purchaser covenants not to list for sale or lease, advertise for sale or lease, sell or lease, nor in any way assign his or her or their interest under this Agreement, or the Purchaser's rights and interests hereunder or in the Unit, nor directly or indirectly permit any third party to list or advertise the Unit for sale or lease, at any time until after the Title Transfer Date. The Purchaser acknowledges and agrees that once a breach of the preceding covenant occurs, such breach is or shall be incapable of rectification, and accordingly the Purchaser acknowledges, and agrees that in the event of such breach, the Vendor shall have the unilateral right and option of terminating this Agreement and the Occupancy License, effective upon delivery of notice of termination to the Purchaser or the Purchaser's solicitor, whereupon the provisions of this Agreement dealing with the consequence of termination by reason of the Purchaser's default, shall apply. The Purchaser shall be entitled to direct that title to the Unit be taken in the name of his or her spouse, or a member of his or her immediate family only, and shall not be permitted to direct title to any other third parties.
18. The Purchaser acknowledges that the Vendor or the Vendor's Representative is (or may in the future be) processing and/or completing one or more rezoning or minor variance applications with respect to the Lands (and/or the lands adjacent thereto or in the neighbouring vicinity thereof), as a well as a site plan approval/development application/draft plan of condominium approval with respect to the Lands, in order to permit the development and construction of the Condominium thereon. The Purchaser acknowledges that during the rezoning, minor variance, site plan and/or draft plan of condominium approval process, the footprint or siting of the condominium building may shift from that originally proposed or intended, the overall height of the condominium building (and the number of levels/floors, and/or the number of dwelling units comprising the Condominium) may vary, and the location of the Condominium's proposed amenities may likewise be altered, without adversely affecting the floor plan layout, design and size of the interior of the Unit, and the Purchaser hereby expressly agrees to complete this transaction notwithstanding the foregoing, without any abatement in the Purchase Price, and without any entitlement to a claim for damages or other compensation whatsoever. The Purchaser further covenants and agrees that it shall not oppose the aforementioned zoning, minor variance and site plan/development applications, nor any other applications ancillary thereto, including without limitation, any application submitted or pursued by or on behalf of the Vendor to lawfully permit the development and registration of the Condominium, or to obtain an increase in the density coverage or the dwelling unit count (or yield) thereof, or for any other lawful purpose whatsoever, and the Purchaser expressly acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto.
19. The Purchaser covenants and agrees that he/she/they shall not interfere with the completion of other units and the common elements by the Vendor. Until the Condominium is completed and all units sold and transferred the Vendor may make such use of the Condominium as may facilitate the completion of the Condominium and sale of all the units, including, but not limited to the maintenance of a sales/rental/administration/construction office(s) and model units, and the display of signs located on the Property.

Termination without Default

20. (a) In the event this Agreement is terminated through no fault of the Purchaser, including through the exercise of the Vendor's right of termination pursuant to Paragraph 30(b) or deemed terminated and declared null and void and no force and effect pursuant to the

Settlement Approval Order (as described in Paragraph 20(b) if applicable, the Purchaser shall be entitled to be repaid the New Deposit by the Vendor, together with any interest required by law to be paid; provided however, for certainty, that the Vendor shall not be obligated to repay (i) any amount in respect of the Old Deposit; (ii) any amounts paid by the Purchaser at any time (including under the Original APS) for extras or upgrades or changes ordered by the Purchaser, whether or not installed in the Unit, or (iii) any amounts paid by the Purchaser in connection with occupancy of the Unit (including as an Occupancy Fee). The Purchaser's claims, if any, in respect of the Old Deposit shall be limited to claims against TWC in accordance with ONHWPA and/or claims against Travelers Guarantee Company of Canada, as applicable, and the Purchaser's claims, if any, in respect of any other amounts shall be limited to unsecured claims against the estate of UC Leslieville.

- (b) The Purchaser acknowledges that notwithstanding anything otherwise contained in this Agreement (including the Taron Addendum), the Settlement Approval Order provides that if at any time the Receiver determines in its sole discretion that a "Funding Failure" has occurred then, provided that the Purchaser has not entered into occupancy of his/her Unit pursuant to the terms of this Agreement, the Receiver is authorized to deliver a written notice notifying the Purchaser of the Funding Failure, and upon the delivery of such notice, this Agreement will be deemed terminated and null and void and of no force and effect. For greater certainty, the Vendor's right described in this Paragraph 20(b) and contained in the Settlement Approval Order does not apply once the Purchaser has entered into occupancy of the Unit pursuant to the Occupancy Licence. Please see definition of "Funding Failure" as set out in the Settlement Approval Order, a copy of which is attached hereto as Schedule "S".
- (c) The Purchaser further acknowledges and agrees that he/she (they) does (do) not have any legal, equitable or proprietary interest whatsoever in the Unit and/or the Property (or any portion thereof) prior to the completion of this transaction and the payment of the entire Purchase Price to the Vendor. The Vendor shall be entitled to require the Purchaser to execute a release of any surety, lender, escrow agent or any other third party requested by the Vendor in its discretion prior to the return of any monies to which the Purchaser is entitled hereunder. In no event shall the Vendor, the Receiver or any of their respective agents, including the Escrow Agent be liable for any damages or costs whatsoever and without limiting the generality of the foregoing, for any loss of bargain, for any relocating costs, or for any professional or other fees paid in relation to this transaction. This provision may be pleaded by the Vendor, the Receiver, the Escrow Agent and/or any of their respective agents as a complete defence to any such claim.

Termination of Original APS

- 21. (a) The Purchaser acknowledges and confirms that it has been informed that UC Leslieville is in receivership and is unable to complete its obligations under the Original APS.
- (b) The Purchaser acknowledges and agrees that the Original APS will not be terminated unless and until the earlier of:
 - (i) the closing of the transaction contemplated herein and upon such closing, the Original APS will be repudiated by the Receiver and deemed terminated by the Settlement Approval Order and of no further force or effect; and
 - (ii) the termination of this Agreement by either the Vendor or the Purchaser, in which case, upon the effective date of such termination, the Original APS will be

automatically terminated and of no further force or effect. For certainty, in the case of a termination by the Vendor for whatever reason, the Purchaser shall only have the rights and claims or obligations and liabilities set out in Paragraphs 20 or 27 of this Agreement, as the case may be, but in no event shall the Purchaser have any legal, equitable or proprietary interest whatsoever in the Unit and/or the Property (or any portion thereof) or any claim against the estate of UC Leslieville except as expressly set out in Paragraph 20.

No Liability of Receiver

22. The Purchaser acknowledges and agrees that the Receiver, and its agents, officers and employees shall have no liability (personal, corporate or otherwise) under, as a result of or in connection with any obligations of UC Leslieville or the Vendor (and anyone for whom it is at law responsible) under this Agreement. The Purchaser shall have no recourse against any property or asset of UC Leslieville, except for an unsecured claim against the estate of UC Leslieville and, to the extent expressly set out herein, the return of the New Deposit.
23. Taron Warranty Corporation
 - (a) The Vendor covenants that on completion of this transaction a warranty certificate for the Unit will be requested by the Vendor or the Vendor's Representative from TWC. The Vendor or the Vendor's Representative further covenants to request from TWC for the benefit of the Corporation a similar warranty certificate with respect to the common elements. The Purchaser acknowledges and agrees that any warranties of workmanship or materials, in respect of any aspect of the construction of the Condominium including the Unit, whether implied by this Agreement or at law or in equity or by any statute or otherwise, shall be limited to only those warranties deemed to be given by TWC, which warranties shall extend only for the time period and in respect of those items as stated in the ONHWPA, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement, or condition precedent to, concurrent with or in any way affecting this Agreement, the Condominium or the Unit, other than as expressed herein. Notwithstanding anything otherwise contained herein, neither the Receiver, Vendor or the estate of UC Leslieville shall have any liability in connection with any representation, warranty, guarantee, collateral agreement or condition precedent to, concurrent with or in any way affecting this Agreement, the Condominium or the Unit.
 - (b) The Purchaser acknowledges and agrees that:
 - (i) it is responsible for conducting and has conducted its own searches and investigations of the Unit and the Condominium and it is satisfied with the Unit and the Condominium and all matters and things connected with it or in any way related to it, and is relying entirely upon its own investigations in entering into this Agreement;
 - (ii) the Unit is being purchased by the Purchaser on an "as is, where is" basis at the Purchaser's own risk and peril and without any express or implied agreement, representation or warranty of any kind about the Unit, the fixtures, fittings and equipment located therein, contents, condition, suitability for development, fitness for a particular purpose, merchantability, title, physical characteristics, square footage, profitability, use or zoning, environmental condition, existence of latent defects, quality, or any other aspect or characteristic of the Unit and the Condominium;

- (iii) actual usable floor space of the Unit may vary from the stated floor area;
- (iv) the Receiver shall have no liability or obligation with respect to the value, state, contents or condition of the Unit and the Condominium, whether or not the matter is within the knowledge or imputed knowledge of the Receiver, its officers, employees, directors, agents, representatives and contractors;
- (v) the Receiver makes no agreements, representations or warranties concerning any statements made or other information delivered or made available to the Purchaser or any other person with respect to the Unit and the Condominium. For greater certainty, the Receiver is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Unit and the Condominium, or the operation of them, furnished by any real estate broker, agent, employee, Craft or other person; and
- (vi) without limiting the foregoing, any conditions, warranties or representations expressed or implied pursuant to the Act, the *Sale of Goods Act* (Ontario), or any similar legislation in the Province of Ontario, do not apply to this purchase and are waived by the Purchaser.

Right of Entry

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

Occupancy

- 25. (a) The Unit shall be deemed to be substantially completed when the interior work has been finished to the minimum standards allowed by the Municipality so that the Unit may be lawfully occupied notwithstanding that there remains other work within the Unit and/or the common elements to be completed. The Purchaser shall not occupy the Unit until the Municipality has permitted same or consented thereto, if such consent is required and the Occupancy Date shall be postponed until such required consent is given. The Purchaser shall not require the Vendor to provide or produce an occupancy permit, certificate or authorization from the Municipality other than the documentation required by Paragraph 9 of the Taron Addendum. Provided that the Vendor or the Vendor's Representative complies with Paragraph 9 of the Taron Addendum, the Purchaser acknowledges that the failure to complete the common elements before the Occupancy Date shall not be deemed to be failure to complete the Unit, and the Purchaser agrees to complete this transaction notwithstanding any claim submitted to the Vendor and/or to the TWC in respect of apparent deficiencies or incomplete work provided, always, that such incomplete work does not prevent occupancy of the Unit as, otherwise, permitted by the Municipality.
- (b) If the Unit is substantially complete and fit for occupancy on the Occupancy Date, as provided for in subparagraph (a) above, but the Creating Documents have not been

registered, (or in the event the Condominium is registered prior to the Occupancy Date and closing documentation has yet to be prepared), the Purchaser shall pay to the Vendor a further amount on account of the Purchase Price specified in Paragraph 1(b) hereof without adjustment save for any pro-rated portion of the Occupancy Fee described and calculated in Schedule "C", and the Purchaser shall occupy the Unit on the Occupancy Date pursuant to the Occupancy Licence attached hereto as Schedule "C".

Inspection

26. (a) The Purchaser or the Purchaser's designate as hereinafter provided agrees to meet the Vendor's Representative at the date and time designated by the Vendor or the Vendor's Representative, prior to the Occupancy Date, to conduct a pre-delivery inspection of the Unit (the "PDI") and to list all items remaining incomplete at the time of such inspection together with all mutually agreed deficiencies with respect to the Unit, on the TWC Certificate of Completion and Possession (the "CCP") and the PDI Form, in the forms prescribed from time to time by, and required to be completed pursuant to the provisions of the ONHWP. The said CCP and PDI Forms shall be executed by both the Purchaser or the Purchaser's designate and the Vendor's Representative at the PDI and shall constitute the Vendor's only undertaking with respect to incomplete or deficient work and the Purchaser shall not require any further undertaking of the Vendor to complete any outstanding items. In the event that the Vendor performs any additional work to the Unit in its discretion, the Vendor shall not be deemed to have waived the provision of this Paragraph or otherwise enlarged its obligations hereunder.
- (b) The Purchaser acknowledges that the Homeowner Information Package as defined in TWC Bulletin 42 (the "HIP") is available from TWC and that the Vendor further agrees that the Vendor or the Vendor's Representative will provide the HIP to the Purchaser or the Purchaser's designate, at or before the PDI. The Purchaser or the Purchaser's designate agrees to execute and provide to the Vendor the confirmation of receipt forthwith upon receipt of the HIP.
- (c) The Purchaser shall be entitled to send a designate to conduct the PDI in the Purchaser's place or attend with their designate, provided the Purchaser first provides to the Vendor a written authority appointing such designate for PDI prior to the PDI. If the Purchaser appoints a designate, the Purchaser acknowledges and agrees that the Purchaser shall be bound by all of the documentation executed by the designate to the same degree and with the force and effect as if executed by the Purchaser directly.
- (d) In the event the Purchaser and/or the Purchaser's designate fails to attend the PDI or fails to execute the CCP and PDI Forms at the conclusion of the PDI, the Vendor may declare the Purchaser to be in default under this Agreement and may exercise any or all of its remedies set forth in this Agreement of Purchase and Sale and/or at law. Alternatively, the Vendor may, at its option, complete the within transaction but not provide the keys to the Unit to the Purchaser until the CCP and PDI Forms have been executed by the Purchaser and/or its designate or complete the within transaction and complete the CCP and PDI Forms on behalf of the Purchaser and/or the Purchaser's designate and the Purchaser hereby irrevocably appoints the Vendor the Purchaser's attorney and/or agent and/or designate to complete the CCP and PDI Forms on the Purchaser's behalf and the Purchaser shall be bound as if the Purchaser or the Purchaser's designate had executed the CCP and PDI Forms.

- (e) In the event the Purchaser and/or the Purchaser's designate fails to execute the confirmation of receipt of the HIP forthwith upon receipt thereof, the Vendor may declare the Purchaser to be in default under this Agreement and may exercise any or all of its remedies set forth in this Agreement of Purchase and Sale and/or at law.

Purchaser's Default

27. (a) In the event that the Purchaser is in default with respect to any of his or her or their obligations contained in this Agreement or in the Occupancy License on or before the Title Transfer Date and fails to remedy such default forthwith, if such default is a monetary default and/or pertains to the execution and delivery of documentation required to be given to the Vendor on the Occupancy Date or the Title Transfer Date, or within five (5) business days of the Purchaser being so notified in writing with respect to any other non-monetary default, then the Vendor, in addition to (and without prejudice to) any other rights or remedies available to the Vendor (at law or in equity) may, at its sole option, unilaterally suspend all of the Purchaser's rights, benefits and privileges contained herein (including without limitation, if applicable, the right to make colour and finish selections with respect to the Unit as hereinbefore provided or contemplated), and/or unilaterally declare this Agreement and the Occupancy License, if applicable, to be terminated and of no further force or effect. All monies paid hereunder (including the deposit monies paid or agreed to be paid by the Purchaser pursuant to this Agreement which sums shall be accelerated on demand of the Vendor), together with any interest earned thereon and monies paid or payable (if any) for extras or upgrades or changes ordered by the Purchaser, whether or not installed in the Unit, shall be forfeited to the Vendor for the benefit of the estate of UC Leslieville.
- (b) Notwithstanding anything to the contrary in this Agreement, any default of the Purchaser under this Agreement which results in the Vendor unilaterally declaring this Agreement and the Occupancy License, if applicable, to be terminated and of no further force or effect shall constitute a default of the Purchaser under the Original APS, in which case all monies paid under the Original APS (including the Old Deposit and monies paid for extras or upgrades or changes ordered by the Purchaser), together with any interest earned thereon, shall be forfeited to the Vendor for the benefit of the estate of UC Leslieville.
- (c) The Purchaser agrees that the forfeiture of the aforesaid monies shall not be a penalty, and it shall not be necessary for the Vendor to prove it suffered any damages in order for the Vendor to be able to retain the aforesaid monies. The Vendor shall in such event still be entitled to claim damages from the Purchaser in addition to any monies forfeited to the Vendor. The aforesaid retention of monies is in addition to (and without prejudice to) any other rights or remedies available to the Vendor at law or in equity. In the event of the termination of this Agreement and/or the Occupancy License by reason of the Purchaser's default as aforesaid, then the Purchaser shall be obliged to forthwith vacate the Unit (or cause same to be forthwith vacated) if same has been occupied (and shall leave the Unit in a clean condition, without any physical or cosmetic damages thereto, and clear of all garbage, debris and any furnishings and/or belongings of the Purchaser), and shall execute such releases and any other documents or assurances as the Vendor may require, in order to confirm that the Purchaser does not have (and the Purchaser hereby covenants and agrees that he/she/they does not have) any legal, equitable or proprietary interest whatsoever in the Unit and/or the Property (or any portion thereof) prior to the completion of this transaction and the payment of the entire Purchase Price to the Vendor or the Vendor's solicitors as hereinbefore provided, and in the event the

Purchaser fails or refuses to execute same, the Purchaser hereby appoints the Vendor to be his or her lawful attorney in order to execute such releases, documents and assurances in the Purchaser's name, place and stead, and in accordance with the provisions of the *Powers of Attorney Act*, R.S.O. 1990, as amended, the Purchaser hereby declares that this power of attorney may be exercised by the Vendor during any subsequent legal incapacity on the part of the Purchaser. In the event the Vendor's Solicitors or an Escrow Agent is/are holding any of the deposits in trust pursuant to this Agreement, then in the event of default as aforesaid, the Purchaser hereby releases the said solicitors or Escrow Agent from any obligation to hold the deposit monies, in trust, and shall not make any claim whatsoever against the said solicitors or Escrow Agent and the Purchaser hereby irrevocably directs and authorizes the said solicitors or Escrow Agent to deliver the said deposit monies and accrued interest, if any, to the Vendor.

- (d) Notwithstanding subparagraph (a) above, the Purchaser acknowledges and agrees that if any amount, payment and/or adjustment which are due and payable by the Purchaser to the Vendor pursuant to this Agreement are not made and/or paid on the date due, but are subsequently accepted by the Vendor, notwithstanding the Purchaser's default, then such amount, payment and/or adjustment shall, until paid, bear interest at the rate equal to eight (8%) percent per annum above the bank rate as defined in subsection 19(2) of O. Reg. 48/01 to the Act at the date of default.

Common Elements

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

Executions

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

Risk

30. The Unit shall be and remain at the risk of the Vendor until the Title Transfer Date, subject to the terms of the Occupancy Licence attached hereto as Schedule "C". If any part of the Condominium is damaged before the Creating Documents are registered, the Vendor may in its sole discretion either:
- (a) make such repairs as are necessary to complete this transaction and, if necessary, delay the Occupancy Date in the manner permitted in Paragraph 5 of the Taron Addendum;
 - (b) terminate this Agreement and, provided that the Purchaser is not then in default under this Agreement, return to the Purchaser all deposit (other than the Old Deposit) paid by the Purchaser to the Vendor, with interest payable under law, if there is substantial damage to all or any part of the Condominium, or if the Syndicate retains the insurance proceeds relating to such damage (for certainty, in the case of such termination the provisions of Paragraph 20 shall apply); or
 - (c) apply to a court of competent jurisdiction for an order terminating the Agreement in accordance with the provisions of subsection 79(3) of the Act;

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

Tender/Termet

31. (a) Any tender of documents or monies hereunder, including those required to be exchanged on the Occupancy Date and/or Title 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 wire transfer (using Large Value Transaction protocols) or, if permitted by the Vendor, by direct deposit of the monies into the Vendor's solicitor's trust account in accordance with the requirements provided by such Vendor's solicitor. The Vendor shall be allowed to tender and deliver documentation to the Purchaser and/or his or her solicitor by electronic mail and/or by posting the documentation required to be delivered to the Purchaser on the Occupancy Date and/or Title Transfer Date on an internet web site and providing notice to the Purchaser and/or his/her solicitor with the method of accessing such documents on such internet site and the internet address of such web site. In the event the Vendor's documents are emailed or posted on such site, said documents may be executed electronically in accordance with the *Electronic Commerce Act (Ontario)* and the emailing or posting of such documentation, electronically signed where required, and the notification to the Purchaser's solicitor or the Purchaser of where on the world wide web such documents can be accessed, shall be deemed to be effective tender of such documents on the Purchaser and/or their solicitor. Tender of any documents on the Purchaser other than those delivered via the web or internet may be made on the Purchaser's solicitor by fax and/or email. Notwithstanding anything set out herein to the contrary, any tender upon the Vendor on the Occupancy Date and/or Title 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 4:30 p.m. on any business day (excluding weekends and statutory holidays). Save and except as specifically hereinafter set out to the contrary, any tender upon the Purchaser on the Occupancy Date and/or Title Transfer Date, if required, may be made by the Vendor's solicitor by he/she confirming to the Purchaser's solicitor in writing that:

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- (i) that they have already delivered to the Purchaser's solicitor, such documents, undertakings, affidavits of the Vendor or its solicitor as may be required to effect a proper tender for the purposes of the interim and/or final closing of this transaction (either by way of delivery of the documents by email and/or the posting of such documents, electronically executed, on an internet web site as hereinbefore set out);
- (ii) that the Vendor has advised that keys for the Units are available for release at the Property and/or the head office of the Vendor (on the Occupancy Date and/or Title Transfer Date as applicable);
- (iii) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
- (iv) with respect to the closing of the transaction, 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, and specifically when the "completeness signatory" for the transfer/deed has been electronically "signed" by the Vendor's solicitors;

without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents, keys and/or funds and without any requirement to have an independent witness evidencing the foregoing. The delivery of such written confirmation shall be deemed to be complete and effective tender. The Purchaser covenants acknowledges and agrees that the Vendor's and its solicitor's documents may be electronically signed in accordance with the *Electronic Commerce Act, 2000 Ch. 17, S.O. 2000*, as amended, and that such electronic form of execution of the documents shall be satisfactory for the purposes of this Agreement and this tender provision

- (b) In the event that the Purchaser or his solicitor has not delivered the requisite documents and/or monies as hereinbefore set out at such location and by 4:30 p.m. on the Occupancy Date and/or Title Transfer Date, then the Purchaser shall be deemed for all purposes to have waived tender by the Vendor. The Purchaser shall be estopped and forever barred from claiming any defect in the title to the Units and/or Property, or any deficiency in the construction thereof, or that the Vendor was unable or unwilling to provide occupancy of the Residential Unit and/or complete this transaction in accordance with the provisions of this Agreement and/or the Tarion Addendum. It is further provided that, notwithstanding the preceding provisions, that in the event the Purchaser or his Solicitor advise the Vendor or its Solicitors, on or before the Occupancy Date and/or Title Transfer Date, that the Purchaser is unable or unwilling to complete the purchase transaction or take possession of the Units (or any portion thereof), the Vendor shall be relieved of any obligation to make any formal tender upon the Purchaser or his Solicitor or provide any documentation to the Purchaser as hereinbefore set out and may exercise forthwith any and all of its right and remedies provided or in this Agreement and at law. The Purchaser hereby acknowledges and agrees that the key(s) to the Units shall be released to him/her directly from the site and/or head office of the Vendor when the Purchaser becomes entitled to same in accordance with this Agreement, and the Vendor shall not otherwise be required to produce or deliver a key to the Units on the Occupancy Date and/or Title Transfer Date, or as part of any tender in connection therewith. In the event the Purchaser or his Solicitor fails to appear or appears and fails to close, such attendance by

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the Vendor's representative or solicitor at the Vendor's solicitor's office shall be deemed satisfactory evidence that the Vendor is ready, willing and able to complete the sale at such time.

32. As the electronic registration system (hereinafter referred to as the "Teraview Electronic Registration System" or "TERS") is operative in the applicable Land Titles Office in which the Property is registered, then at the option of the Vendor's solicitor, the following provisions shall prevail:
- (a) The Purchaser shall be obliged to retain a lawyer, who is both an authorized TERS user and in good standing with the Law Society of Upper Canada to represent the Purchaser in connection with the completion of the transaction, and shall authorize such lawyer to enter into an escrow closing agreement with the Vendor's solicitor on the latter's standard form (hereinafter referred to as the "Escrow Document Registration Agreement"), establishing the procedures and timing for completing this transaction and to be executed by the Purchaser's solicitor and returned to the Vendor's solicitors at least ten (10) days prior to the Title Transfer Date. If the Vendor's solicitor provides written notice to the Purchaser's solicitor that it accepts and agrees to be bound by the terms of the form of Document Registration Agreement prepared by the Law Society of Upper Canada and adopted by the Joint LSUC - CBAO Committee on Electronic Registration of Title Documents, as may be amended from time to time, the Vendor's solicitor and the Purchaser's solicitor shall be deemed to have executed such form which shall be the Escrow Document Registration Agreement defined in this subparagraph 32(a) and referred to in this Agreement.
 - (b) The delivery and exchange of documents, monies and keys to the Unit and the release thereof to the Vendor and the Purchaser, as the case may be:
 - (i) shall not occur contemporaneously with the registration of the Transfer/Deed (and other registerable documentation); and
 - (ii) shall be governed by the Escrow Document Registration Agreement, pursuant to which the solicitor receiving the documents, keys and/or certified funds will be required to hold same in escrow, and will not be entitled to release same except in strict accordance with the provisions of the Escrow Document Registration Agreement.
 - (c) If the Purchaser's lawyer is unwilling or unable to complete this transaction via TERS, in accordance with the provisions contemplated under the Escrow 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 Occupancy Date as may be directed by the Vendor's solicitor or as mutually agreed upon, in order to complete this transaction via TERS utilizing the computer facilities in the Vendor's solicitor's office, and shall pay a fee as determined by the Vendor's solicitor, acting reasonably for the use of the Vendor's computer facilities.
 - (d) The Purchaser expressly acknowledges and agrees that he or she will not be entitled to receive the Transfer/Deed to the Unit for registration until the balance of funds due on closing, in accordance with the statement of adjustments, are either remitted by certified cheque via personal delivery or by electronic funds transfer to the Vendor's solicitor (or in such other manner as the latter may direct) prior to the release of the Transfer/Deed for registration.

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- (e) Each of the parties hereto agrees that the delivery of any documents not intended for registration on title to the Unit may be delivered to the other party hereto by telefax transmission (or by a similar system reproducing the original or by electronic transmission of electronically signed documents through the Internet), provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto which may be by electronic signature. The party transmitting any such document shall also deliver the original of same (unless the document is an electronically signed document) to the recipient party by overnight courier sent the day of closing or within 7 business days of closing, if same has been so requested by the recipient party.
- (f) Notwithstanding anything contained in this agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has:
 - (i) delivered all closing documents, keys and/or funds to the Purchaser's solicitor in accordance with the provisions of the Escrow Document Registration Agreement or the provisions of this Agreement;
 - (ii) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and
 - (iii) has completed all steps required by TERS in order to complete this transaction that can be performed or undertaken by the Vendor's solicitor without the cooperation or participation of the Purchaser's solicitor and specifically, when the Transfer of the Unit is created on the TERS system and messaged to the Purchaser's solicitor under the TERS system;

without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents, keys and/or funds, and without any requirement to have an independent witness evidencing the foregoing.

General

- 33. The Vendor shall provide a statutory declaration on the Title Transfer Date that UC Leslieville is not a non-resident of Canada within the meaning of the ITA.
- 34. The Purchaser agrees to pay the costs of registration of the Transfer/Deed for the Unit(s) and its own documents and any tax (including land transfer tax) in connection therewith.
- 35. The Vendor and the Purchaser agree that there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing.
- 36. This Offer and its acceptance is to be read with all changes of gender or number required by the context and the terms, provisions and conditions hereof shall be for the benefit of and be binding upon the Vendor and the Purchaser, and as the context of this Agreement permits, their respective heirs, estate trustees, successors and permitted assigns.
- 37. The Purchaser acknowledges that the suite area of the Unit, as may be represented or referred to by the Vendor or any sales agent, or which appear in any sales material is approximate only, and

is generally measured to the outside of all exterior, corridor and stairwell walls, and to the centre line of all party walls separating one unit from another. NOTE: For more information on the method of calculating the floor area of any unit, reference should be made to Builder Bulletin No. 22 published by the TWC. Actual useable floor space may (therefore) vary from any stated or represented floor area or gross floor area, and the extent of the actual or useable living space within the confines of the Unit may vary from any represented square footage or floor area measurement(s) made by or on behalf of the Vendor. In addition, the Purchaser is advised that the floor area measurements are generally calculated based on the middle floor of the Condominium building for each suite type, such that units on lower floors may have less floor space due to thicker structural members, mechanical rooms, etc., while units on higher floors may have more floor space. Accordingly, the Purchaser hereby confirms and agrees that all details and dimensions of the Unit purchased hereunder are approximate only, and that the Purchase Price shall not be subject to any adjustment or claim for compensation whatsoever, whether based upon the ultimate square footage of the Unit, or the actual or useable living space within the confines of the Unit or otherwise. The Purchaser further acknowledges that the ceiling height of the Unit is measured from the upper surface of the concrete floor slab (or subfloor) to the underside surface of the concrete ceiling slab (or joists). However, where ceiling bulkheads are installed within the Unit, and/or where dropped ceilings are required, then the ceiling height of the Unit will be less than that represented, and the Purchaser shall correspondingly be obliged to accept the same without any abatement or claim for compensation whatsoever.

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

Notice

42. (a) Any notice required to be delivered under the provisions of the Tarrion Addendum shall be delivered in the manner required by Paragraph 14 of the Tarrion Addendum.
- (b) Any other notice given pursuant to the terms of this Agreement shall be deemed to have been properly given if it is in writing and is delivered by hand, ordinary prepaid post, facsimile transmission or electronic mail to the attention of the Purchaser or to the Purchaser's solicitor to their respective addresses indicated herein or to the address of the Unit after the Occupancy Date and to the Vendor at c/o Alvarez & Marsal Canada Inc. solely in its capacity as the Court appointed receiver and manager and construction lien trustee of all of the assets, undertaking and properties of Urbancorp (Leslieville) Developments Inc., Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2900, Toronto, ON M5J 2J1 Attention: Tony Zaspalis and Ryan Gruneir or to the Vendor's Solicitors at the address indicated in this Agreement or such other address as may from time to time be given by notice in accordance with the foregoing. Such notice shall be deemed to have been received on the day it was delivered by hand, by electronic mail or by facsimile transmission and upon the third day following posting, excluding Saturdays, Sundays and statutory holidays. This agreement or any amendment or addendum thereto may, at the Vendor's option, be properly delivered if it delivered by facsimile transmission or if a copy of same is computer scanned and forwarded by electronic mail to the other party.

Material Change

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

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model(s) or floor plan(s) previously delivered or shown to the Purchaser (regardless of the extent or impact thereof), as well as the removal of any window(s), column(s) and/or bulkhead(s) from any location(s) previously shown or illustrated in any sales brochure(s), model(s) in the sales office or otherwise; and/or

- (d) change the layout of the Unit such that same is a mirror image of the layout shown to the Purchaser (or a mirror image of the layout illustrated in any sales brochure or other marketing material(s) delivered to the Purchaser);

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

Cause of Action/Assignment

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

Non-Merger

45. The covenants and agreements of each of the parties hereto shall not merge on the Title Transfer Date, but shall remain in full force and effect according to their respective terms, until all outstanding obligations of each of the parties hereto have been duly performed or fulfilled in accordance with the provisions of this Agreement. No further written assurances evidencing or confirming the non-merger of the covenants of either of the parties hereto shall be required or requested by or on behalf of either party hereto.

Notice/Warning Provisions

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

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

47. The Purchaser hereby consents to the Vendor's collection, use and disclosure of the Purchaser's personal information for the purpose of enabling the Vendor to proceed with the Purchaser's purchase of the Unit, completion of this transaction, and for post-closing and after-sales customer care purposes. Such personal information includes the Purchaser's name, home address, e-mail address, telefax/telephone number, age, date of birth, marital and residency status, social insurance number (only with respect to subparagraph (b) below), financial information, desired suite design(s), and colour/finish selections. In particular, but without limiting the foregoing, the Vendor may disclose such personal information to:
- (a) Any relevant governmental authorities or agencies, including without limitation, the Land Titles Office (in which the Condominium is registered), the Ministry of Finance for the Province of Ontario (i.e. with respect to Land Transfer Tax), and the Canada Revenue Agency (i.e. with respect to HST);
 - (b) Canada Revenue Agency, to whose attention the T-5 interest income tax information return and/or the NR4 non-resident withholding tax information return is submitted (where applicable), which will contain or refer to the Purchaser's social insurance number or business registration number (as the case may be), as required by Regulation 201(1)(b)(ii) of the ITA, as amended;
 - (c) The Condominium for the purposes of facilitating the completion of the Condominium's voting, leasing and/or other relevant records and to the Condominium's property manager for the purposes of facilitating the issuance of notices, the collection of common expenses and/or implementing other condominium management/administration functions;

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- (d) any companies or legal entities that are associated with, related to or affiliated with the Vendor, other future condominium declarants that are likewise associated with, related to or affiliated with the Vendor (or with the Vendor's parent/holding company) and are developing one or more other condominium projects or communities that may be of interest to the Purchaser or members of the Purchaser's family, for the limited purposes of marketing, advertising and/or selling various products and/or services to the Purchaser and/or members of the Purchaser's family;
- (e) any financial institution(s) providing (or wishing to provide) mortgage financing, banking and/or other financial or related services to the Purchaser and/or members of the Purchaser's family, with respect to the Unit, including without limitation, the Syndicate, Craft, Terra Firma, the Vendor's Representatives, the Tarion Warranty Corporation, Travelers Guarantee Company of Canada and/or any warranty bond provider and/or excess condominium deposit insurer, required in connection with the development and/or construction financing of the Condominium and/or the financing of the Purchaser's acquisition of the Property from the Vendor;
- (f) any insurance companies of the Vendor providing (or wishing to provide) insurance coverage with respect to the Property (or any portion thereof) and/or the common elements of the Condominium, and any title insurance companies providing (or wishing to provide) title insurance to the Purchaser or the Purchaser's mortgage lender(s) in connection with the completion of this transaction;
- (g) any trades/suppliers or sub-trades/suppliers, who have been retained by or on behalf of the Vendor (or who are otherwise dealing with the Vendor) to facilitate the completion and finishing of the Unit and the installation of any extras or upgrades ordered or requested by the Purchaser;
- (h) one or more providers of cable television, telephone, telecommunication, security alarm systems, hydro-electricity, chilled water/hot water, gas and/or other similar or related services to the Property (or any portion thereof) and/or the Condominium (collectively, the "Utilities"), unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to one or more of the Utilities;
- (i) one or more third party data processing companies which handle or process marketing campaigns on behalf of the Vendor or other companies that are associated with, related to or affiliated with the Vendor, and who may send (by e-mail or other means) promotional literature/brochures about new condominiums and/or related services to the Purchaser and/or members of the Purchaser's family, unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to said third party data processing companies;
- (j) the Vendor's solicitors, to facilitate the interim occupancy and/or final closing of this transaction, including the closing by electronic means via the Teraview Electronic Registration System, and which may (in turn) involve the disclosure of such personal information to an internet application service provider for distribution of documentation;
- (k) any property manager retained to manage the Condominium prior to or during Interim Occupancy or at any time thereafter;
- (l) any person that the Receiver may deem necessary or desirable to fulfill its duties and obligations as the Court appointed receiver and manager and construction lien trustee of

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the property and assets of UC Leslieville, or as it may deem to be necessary or desirable in connection with the Settlement Orders or the Receivership Proceeding; and

- (m) any person, where the Purchaser further consents to such disclosure or disclosures required by law.

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