

SCHEDULE "B"

The following clauses form part of the agreement of purchase and sale (the "Agreement") between BDO Canada Limited as Receiver of Stanley Hemphill, as vendor (the "Vendor"), and _____ as purchaser (the "Purchaser"), dated _____ relating to the property known as 2471 & 2467 First St. Louth, Ontario (the "Property"). In the event of any inconsistency or conflict between any clause set out in this Schedule and any clause in the pre-printed agreement of purchase and sale to which this Schedule is attached, the contents of the clause in this Schedule will prevail and the pre-printed agreement will be construed as not containing the inconsistent or conflicting clause.

1. The term "Vendor" as used herein shall have no reference to the present registered owner of the Property.
2. The Purchaser shall accept title by way of a Vesting Order in a form satisfactory to the Vendor. The Vendor shall not be required to complete the *Planning Ad* statements. The transaction shall expressly exclude all covenants of further assurance which would otherwise be implied in the *Land Registration Reform Act*.
3. The Purchaser acknowledges that no representations or warranties have been made by the Vendor, or anyone acting on its behalf as to the condition of, the title to or the use or zoning of the Property, or with respect to any other matter or thing in connection with the Property or any buildings located thereon, nor as to the performance of any parts thereof nor as to the presence or absence of hazardous substances on the Property including, without limitation, urea formaldehyde foam insulation and any "contaminant" within the meaning of the *Environmental Protection Act*. The Purchaser acknowledges that the Property is sold on an "as is, where is" basis and no representation or warranty is expressed or can be implied as to title, description, fitness for purpose, quantity, condition or quality thereof or in respect of any other thing whatsoever and the Purchaser shall complete the transaction without abatement of the Purchase Price.
4. All fixtures and chattels which are the subject of the Agreement, if any, are sold on an "as is, where is" basis with no representation as to title, description, fitness for purpose, quality, condition or quantity. The Vendor will deliver possession of the fixtures and chattels found on the Property on Closing without a bill of sale, warranty or other title documentation and shall make no adjustment in the Purchase Price with respect thereto. The Vendor shall have no obligation to remove any chattels found on the Property.
5. The description of the Property is believed by the Vendor to be correct but if any misstatement, error or omission is found in the particulars thereof, this Agreement shall not be rendered null and void and the Purchaser shall not be entitled to an abatement of the Purchase Price.
6. Notwithstanding anything to the contrary in this Agreement, if:
 - (a) a certificate of pending litigation is registered against the Property;
 - (b) the Vendor is unable or unwilling to complete the transaction as a result of (i) any action taken by a prior encumbrance or the present registered owner. (ii) the

exercise of any right (not terminated upon acceptance of this Agreement) by the present registered owner or other party subsequent in interest to the registered owner or the Vendor, (iii) an injunction, court order or judgment or (iv) any stay of proceedings;

the Vendor may at its option, elect by written notice to the Purchaser or its solicitor delivered anytime on or before Closing.

- (c) terminate this Agreement whereupon the Deposit shall be returned to the Purchaser and neither party shall have any further rights or liabilities under the Agreement; or
- (d) extend the Closing Date otherwise established pursuant to this Agreement for up to 90 days (the "Extended Closing Date"), in which case the Closing Date shall become the Extended Closing Date, to provide the Vendor with the opportunity to address those matters described in paragraph 6(a) or 6(b), by Court order or otherwise, to the satisfaction of the Vendor in its sole discretion; provided however should the Vendor be unable or unwilling to complete the transaction by the Extended Closing Date, the Vendor may terminate this Agreement and the Deposit shall be returned to the Purchaser and neither party shall have any further rights or liabilities hereunder.

7. The Purchaser agrees to accept the Property subject to the following:

- (a) any existing tenancy or tenancies of the Property;
- (b) all outstanding work orders, deficiency notices, orders to comply and the like affecting the property;
- (c) zoning and building code violations, if any; and
- (d) any restrictions, covenants, by-laws, easements, rights-of-way, rights-of-ways, municipal and other agreements that affect the Property.

If the Property is occupied by any tenants, the Vendor will provide only the information, assurances, assignments or other requisitioned documents with regard to the tenancy or tenancies that are within the Vendor's possession or control. The Vendor makes no representation or warranty as to the terms or validity of the tenancy or tenancies or as to the legality of any rents payable by the tenant or tenants. Adjustments shall be made for current rentals and prepaid rents which have been received by the Vendor

- 8. The Purchaser acknowledges that there may be outstanding arrears with respect to property taxes and utilities and amounts owing under prior mortgages and agrees that the Vendor, at its option, shall be entitled to make adjustment on the statement of adjustments for such matters or, in the alternative, direct that the proceeds due on Closing be used to payout such arrears,
- 9. In addition to the Purchase Price, the Purchaser agrees to pay to the Vendor on Closing an amount equal to all taxes and other charges (the HST) that may be payable under the *Excise Tax Act*. If the Purchaser fails to pay the HST on Closing, the Vendor may

terminate this Agreement and retain the Deposit and interest earned thereon without prejudice to any other rights or damages that the Vendor may be entitled at law.

10. The Purchaser hereby further acknowledges and agrees that this Agreement is subject to the condition that the Vendor obtain an order of the Ontario Superior Court of Justice approving the Agreement and the transaction of purchase and sale contemplated in the Agreement.
11. "Approval and Vesting Order" means collectively, the "Vesting Order" described in paragraph 2 of this Schedule and the "Order" described in paragraph 10 of this Schedule.
12. Upon the later of the execution of this Agreement by the Vendor or the satisfaction, fulfillment or waiver of any conditions contained in the Agreement, the Vendor shall diligently pursue an application for the Approval and Vesting Order from the Court and shall promptly notify the Purchaser of the disposition thereof. If the Court shall not have granted the Approval and Vesting Order before or any extension thereof as may be agreed to by the parties or as may be extended pursuant to paragraph 6(d), this Agreement shall be automatically terminated and neither party shall have any further obligation to the other respecting this Agreement.
13. "Closing Date" means the later of the third business day after the obtaining of the Approval and Vesting Order or, 2012.
14. This Agreement shall be completed on the Closing Date or as it may be extended by agreements of the parties or pursuant to paragraph 6(d).
15. The obligation of the Vendor to complete this Agreement is subject to the Vendor at no expense to the Purchaser obtaining a discharge or discharges of all liens, mortgages or other encumbrances affecting the Property or in the alternative, a court order discharging the same. In the event that said discharges or court order are not available on Closing then the Vendor shall have the option of either declaring this transaction null and void and returning the Deposit to the Purchaser or extending the Closing for a maximum of 60 days.