

SCHEDULE "B"

The following terms replace, modify and supplement the terms of an Agreement of Purchase and Sale to which this schedule is annexed and supercede such terms.

1. It is understood that the Vendor is selling as mortgagee under the Power of Sale provisions contained in its mortgage. The Purchaser agrees to accept title to the property pursuant to The Mortgages Act and the exercise by the Vendor of its powers pursuant to its mortgage. the Vendor shall not be required to register a discharge of any mortgage, lien or other encumbrance against title to the property except any such mortgage, lien or encumbrance which is registered prior to the mortgage in favour of the Vendor. The Purchaser agrees to accept Vendor's solicitor's personal Undertaking to discharge any and all outstanding liens, encumbrances and any other matter outstanding or registered on title except those extinguished by the power of sale proceedings.
2. The Vendor confirms that on the date of acceptance of this offer there is default under the terms of the mortgage in its favour which entitles the Vendor to exercise its power of sale contained therein. The only evidence of default which the Purchaser may require, shall be the statements in the transfer from the Vendor made in compliance with applicable law as to the Vendor's right to sell the property and the purchase under the power of sale provisions contained in its mortgage. The Purchaser shall not be entitled to require copies of any notice of sale, post-office receipts or other evidence of service, the names of the persons on whom notice was served or any other evidence of compliance with the requirements of the Mortgages Act (Ontario).
3. If the Vendor has agreed to take back a mortgage, the Purchaser shall complete the Vendor's application form and provide such credit information as the Vendor may require. The mortgage back shall contain such standard charge terms as selected by the Vendor and such other additional provisions as are normally utilized by the Vendor or its solicitor in mortgages/charges for like properties. The Purchaser also agrees to provide the Vendor with an Acknowledgment confirming that there are no holdbacks, set-offs and/or undisclosed equities existing between the parties and that the full amount of the mortgage back is due and owing, without set-off or deduction, and as additional security, a General Security Agreement and such other security and other documentation as is customarily obtained by a mortgagee on transactions of this nature.
4. The Purchaser agrees to accept title and the property subject to the following, in all cases whether or not there is compliance: any subdivision agreements, site plan agreements or agreements of a like nature; all by-laws and other applicable laws affecting the property or the use or occupation thereof; restrictions; easements including easements for the supply of utilities, services or otherwise; covenants that run with the land; rights-of-way; encroachments on the subject property or encroachments by the subject property onto adjoining properties.
5. The Purchaser agrees that he/she/it is purchasing and accepts the property on an "as is, where is" basis, as of the date of acceptance, without any representation, warranty or

condition whatsoever except as expressly stated herein, and specifically without any representation, warranty or condition with respect to fitness for any purpose, condition, quality or quantity, zoning, or lawful use of the Property as of the closing date. Without limiting the generality of the foregoing, the Purchaser assumes the obligation and liability of any non-compliance of municipal zoning by-laws, provincial or federal laws, outstanding sewer and other levies, impost charges, fees, sewer charges and any other development charges. The Vendor makes no representations or warranty with respect to any workmanship or any defects in the or with respect to the property, location of structures, walls, retaining walls or fences, soil conditions, the presence or previous presence of any waste, hazardous or toxic substances or other substances regulated pursuant to the Environmental Protection Act (Ontario) or any other statute, or any other environmental matter. If any representations and/or warranties with respect to any matter are contained in the Agreement of Purchase and Sale, the Purchaser hereby agrees that the same shall be deemed to be deleted from the Agreement of Purchase and Sale.

6. The Vendor has the right in its sole discretion to terminate this Agreement by notice in writing delivered to the Purchaser or his/her/its solicitor at any time prior to closing if an injunction or other application has been brought by any party restraining the sale. The Purchaser further agrees that notwithstanding the making of this Agreement, the Vendor may, in its absolute discretion, accept, on or before the closing date or any extension thereof, part payment or redemption of the mortgage by any party having an interest in the property and thereupon may terminate this Agreement without liability to the Purchaser. Upon such termination, the Vendor's and Purchaser's obligations hereunder shall be at an end, the Vendor shall not be liable to the Purchaser for any costs, damages, losses or expenses incurred by the Purchaser or otherwise and the Purchaser's deposit shall be returned in full without interest or deduction.
7. The Purchaser acknowledges that the Vendor is selling this property pursuant to the Power of Sale provisions contained in its mortgage. In the event that the exercise of the power of sale is brought into question or placed in issue by any requisition, action, notice, certificate of pending litigation or in any other manner or in the event that the mortgagor, or any party having an interest in the land, redeems the mortgage or enters into an Agreement of Purchase and Sale to sell the property prior to closing, then the Vendor shall, in its sole and absolute discretion have the right to either extend the closing date provided for herein from time to time for up to ninety (90) days in the aggregate or to terminate this Agreement by notice in writing delivered to the Purchaser or his/her/its solicitor. Upon such termination, all of the Vendor's and Purchaser's obligations hereunder shall be at an end and the Vendor shall not be liable to the Purchaser for any costs, damages, losses or expenses incurred by the Purchaser or otherwise and the Purchaser's deposit shall be returned in full without interest or deduction.
8. If there is any conflict between any of the terms and provisions contained in this Schedule and any terms and provisions contained in the Agreement of Purchase and Sale herein, and

any other schedules attached hereto, the terms and conditions of this Schedule shall prevail for all purposes.

9. This Agreement, any amendments thereto, and any notices given pursuant to this Agreement of Purchase and Sale may be transmitted by telecopier or by electronic transmission and shall be binding upon the parties hereto as if executed and delivered in the original.
10. The Purchaser covenants and agrees not to register Notices of this Agreement, any assignment thereof, Caution, Certificate of Pending Litigation, or any other instrument or reference to this Agreement or his/her/its interest in this property. If any such registration occurs, the Vendor may, at its option, terminate this Agreement and all deposit monies shall be forfeited by the Vendor as liquidated damages and not as a penalty. The Purchaser hereby irrevocably consents to a court order removing any such registrations and agrees to bear all costs incurred in obtaining such order. This clause may be pleaded as an estoppel in all such proceedings.
11. In the event that any issue is raised with respect to the Vendor's title, the Agreement of Purchase and Sale or possession, the Vendor may at its sole option and subjective discretion extend the closing date, from time to time, for a period or periods of time to complete its application for court approval. The Purchaser agrees that if a title insurance company is willing to insure over any such issue raised, the Purchaser agrees to purchase a title insurance policy at the Purchaser's sole expense and close the transaction. If the Vendor is unable to resolve any such issue by the expiry of the extension period or periods and title insurance coverage cannot be obtained, then the Vendor in its sole, arbitrary and subjective discretion, may terminate this agreement by notice in writing to the Purchaser and without having to provide any reason for such termination. Upon such termination, the Vendor's obligations hereunder shall be at an end, the Vendor shall not be responsible to the Purchaser for any costs, damages, losses or expenses incurred by the Purchaser and the Purchaser's deposit shall be returned in full, subject to the terms of this Agreement. The Purchaser acknowledges that its sole remedy with respect to any of the matters raised by it shall be rescission of the Agreement of Purchase and Sale and the right to the return of its deposit. The Purchaser agrees that it shall have no right to bring an action for specific performance with or without an abatement of the purchase price and/or for damages.
12. The Purchaser shall be obliged to pay on closing, in addition to the purchase price, any Harmonized Sales Tax ("HST") applicable to this transaction and will indemnify the Vendor with respect thereto. No HST shall be collected by Vendor if the Purchaser satisfies the Vendor, acting reasonably, that the Vendor is not required to collect the same pursuant to the provisions of the Excise Tax Act (Canada) and provides evidence satisfactory to the Vendor of registration thereunder together with an indemnity and warranty on closing in this regard in the Vendor's solicitor's form.

13. The Vendor shall not supply any Warranty, Statutory Declaration or Certificate with respect to the subject property's status as a used residential property or as to whether this transaction is an exempt supply in accordance with the provisions of the Excise Tax Act.
14. The Purchaser acknowledges that he/she/it is relying solely on its own inspections and investigations of the property with respect to the quantity, quality, condition and value thereof and with respect to all rents, expenses and all other matters incidental thereto and that the Vendor has not made any representations or warranties in this regard or otherwise. The Purchaser acknowledges and agrees that subsequent to closing, he/she/it shall have no claims with respect to any such matter against the Vendor.