
OPTION AGREEMENT

Dated for reference _____, 20__

Between

_____ (the "**Option Grantor**")
(*Insert Purchaser Name*)

a resident of Whitehorse, Yukon

and

Northern Community Land Trust Society ("**NCLTS**")

a society registered and operating under the Yukon *Societies Act*

and

Yukon Housing Corporation ("**YHC**")

a corporation operating under the Housing Corporation Act and
agent of the Government of Yukon

Recitals

WHEREAS:

A. The objectives of NCLTS are:

1. to develop and steward land for permanently affordable housing in Yukon communities;
2. to provide access to home ownership or stability of tenure for those who might otherwise not have access to it;
3. to provide education about Community Land Trusts and good practices in planning, design, construction, and operation of housing; and
4. to make homes available to people who share these values.

- B. In furtherance of its objectives, NCLTS has constructed a residential condominium project (“**Project 1096**”) on land formerly described as Parcel #100105276 or Lot 1096, Whistle Bend Subdivision, Whitehorse, YT, Plan 100043008 and located at 84 Rampart Avenue (the “**Land**”).
- C. The Land and funding were provided by YHC to NCLTS, on the condition that the Land be used for permanently affordable ownership housing.
- D. The Option Grantor is or will become the registered owner of a condominium unit in Project 1096 (the “**Unit**”), subject to the encumbrances, liens, estates or interests notified by memorandum endorsed on the certificate of title thereto.
- E. The Option Grantor has agreed to enter into this Option Agreement to allow NCLTS or YHC the opportunity in certain circumstances and from time to time, to purchase the Unit from the Option Grantor.
- F. This Option Agreement contains and is intended to be a mechanism to enforce resale price restrictions consistent with the objective of providing permanently affordable ownership housing in Yukon.

The parties, intending to be legally bound, agree as follows:

1. Definitions. The following terms used in this Option Agreement shall have the meanings set out below.
 - (a) “CMHC” means Canada Mortgage and Housing Corporation or its successor corporation.
 - (b) "Communication" has the meaning given to it in section 12.
 - (c) "CPI" means the all-items Consumer Price Index for Whitehorse as published by the Yukon Bureau of Statistics, subject to section 3.
 - (d) “Enforcement Costs” has the meaning given to it in section 11.
 - (e) “Improvements” has the meaning given to it in section 4.
 - (f) "Index Factor" means, subject to section 3:

One hundred and ten percent (110%) of the aggregate annual percentage increase in the CPI between the Owner’s Purchase Date and a subsequent date. The annual increase shall be compounded annually on the 1st day of January in each year from and after the Owner’s Purchase Date. The determination of the Index Factor shall be made by NCLTS, acting reasonably, and such determination shall be binding on the parties hereto.
 - (g) “Mortgage” means a mortgage of the Unit.
 - (h) “Mortgage Indebtedness” means the aggregate amount of principal, interest, costs and other charges owing from time to time under a Mortgage.

- (i) "Mortgagee" means a bank, financial institution or other lender holding a mortgage over the Unit and includes a mortgage loan insurer.
- (j) "NCLTS" means Northern Community Land Trust Society and its successors and assigns.
- (k) "Nominee" means a person or persons to whom NCLTS or YHC assigns the benefit and obligations of the Option to Purchase for a particular transaction.
- (l) "Notice Date" means that the date that an Option Grantor's Notice is received by NCLTS.
- (m) "Option" or "Option to Purchase" means the option to purchase created by this Option Agreement, in particular by section 2.
- (n) "Option Exerciser" has the meaning given to it in section 2(a).
- (o) "Option Grantor" means the original Option Grantor named as a party to this Agreement and includes their heirs, executors, administrators and Permitted Transferee, permitted assignees and any other successor in title to the Unit.
- (p) "Option Grantor's Notice" means a notice pursuant to 5(b) that the Option Grantor wishes to Transfer the Unit, or a deemed notice pursuant to 5(c).
- (q) "Option Period" means the 45 day period following the Notice Date.
- (r) "Original Purchase Date" means the date that the first Option Grantor obtained title to the Unit in the Unit from Northern Community Land Trust Society. This date is _____.
- (s) "Original Purchase Price" means _____.
- (t) "Owner's Purchase Date" means the date that any Option Grantor obtained title to the Unit;
- (u) "Owner's Purchase Price" means the price that an Option Grantor paid for the Unit, so long as that price was the Original Purchase Price or the Re-sale Price at the relevant time, but if not then the Re-sale Price.
- (v) "parties" means the Option Grantor, NCLTS and YHC.
- (w) "Permitted Transfer" means a non-arms' length Transfer to a Permitted Transferee, including by way of way of a Will (inheritance), in accordance with section 5.
- (x) "Permitted Transferee":
 - (i) a spouse, including a common law spouse, child(ren) or grandchild(ren) of an Option Grantor; and
 - (ii) in the case where there is more than one registered owner of a Unit, the other or any of the other registered owners.
- (y) "Project 1096" means Whitehorse Condominium Corporation #____.
- (z) "Prospective Purchaser" means an individual who may wish to purchase the Unit.
- (aa) "Re-sale Price" means, subject to section 4:

- (i) for the first Option Grantor, the Original Purchase Price increased (but not decreased) by the Index Factor for the time period that the Option Grantor owned the Unit;
 - (ii) for each subsequent Option Grantor except an Option Grantor who obtained title to the Unit in a Permitted Transfer, the Owner's Purchase Price increased (but not decreased) by the Index Factor for the time period that the Option Grantor owned the Unit;
 - (iii) for an Option Grantor who obtained title to the Unit in a Permitted Transfer, the prior Option Grantor's Purchase Price, increased (but not decreased) by the Index Factor for the total time period that the prior Option Grantor and the current Option Grantor owned the Unit;
 - (iv) in the circumstances of a foreclosure, the total of the Mortgage Indebtedness under Option Grantor's then-existing Mortgage, plus costs which CMHC or other insurer of the Mortgage would recognize as eligible expenses, plus all reasonable costs of sale, if such total is higher than the amount calculated under paragraph (i), (ii) or (iii).
- (bb) "Restrictive Covenant" means the restrictive covenant registered against title to the Unit as Instrument No. _____
- (cc) "Transfer" means, as the context requires:
- (i) the sale, assignment or transfer of, or,
 - (ii) to sell, assign or transfer,
- either or both of the legal and beneficial ownership of the Unit, or any part thereof. A Transfer includes a Permitted Transfer.
- (dd) "transfer fee" means a fee charged under section 7.
- (ee) "Unit" means the condominium unit described in Schedule 1 hereto.
- (ff) "YHC" means the Yukon Housing Corporation or its successor.

2. Option to Purchase.

- (a) The Option Grantor hereby grants to NCLTS and YHC, a continuing and repeating option to purchase the Unit. Upon exercise of the Option to Purchase as set out in section 6 or section 8, the Option Grantor shall be bound to sell, and NCLTS or YHC (the "Option Exerciser"), shall be bound to buy, the Unit for the Re-sale Price, subject to the adjustments and payable upon the terms as hereinafter provided. The purchase and sale shall be completed on the remaining terms set out in this Option Agreement, in particular in section 9 and Schedule 2.

- (b) The Option Grantor may not assign, transfer or otherwise dispose of the Unit or any part of it except pursuant to this Option Agreement or with the consent of NCLTS and YHC and subject to this Option Agreement.
- (c) This Option Agreement is entered into in conjunction with a sale of the Unit by NCLTS to the Option Grantor, as recorded in a Contract of Purchase and Sale. The Option Grantor acknowledges that:
 - 1. the granting of the Option to Purchase, and the entering into by the Option Grantor of this Option Agreement, are part of the consideration provided to NCLTS to purchase the Unit;
 - 2. NCLTS would not sell the Unit to the Option Grantor without receiving the Option to Purchase and NCLTS is relying on this Option Agreement.
 - 3. YHC provided the Land and funding to NCLTS on the condition that the Land be used for permanently affordable ownership housing and YHC is relying on this Option Agreement to enforce that condition.
- 3. Adjustment to Re-sale Price if CPI Changes and for Partial Years. If the CPI is at any time no longer available for the purposes of calculating the Inflation Rate, a similar index shall be substituted by NCLTS on its own initiative or on the request of the Option Grantor. NCLTS shall substitute an index that in its opinion most properly reflects the increase or decrease over time of the cost of living in Yukon. NCLTS's decision shall be binding on the Option Grantor and NCLTS. If a new index is used, the Re-sale Price shall be calculated as at the time that the CPI was last available. Thereafter, the definition of Index Factor shall be amended so that the reference therein to CPI becomes a reference to the substitute index. A new separate compounding point shall be made on the date the substitute index replaces the CPI. If, for the purpose of calculating Re-sale Price, compounding is required for part of a calendar year, the CPI shall be deemed to increase on a straight-line basis for such year and the factor to be used shall be proportionate to the relevant portion of the calendar year compared to the whole calendar year.
- 4. Increase in Re-sale Price Because of Improvements.
 - (a) The Option Grantor may request that NCLTS agree that if the Option Grantor completes substantial improvements to the Unit, beyond normal maintenance, in a professional manner ("Improvements"), that on completion of the Improvements, the Re-Sale Price will be increased by an agreed amount.
 - (b) NCLTS will have no obligation to agree to a request pursuant to (a), but if NCLTS does agree, an appropriate amending agreement to this Option Agreement, conditional on

the completion of construction to the satisfaction of NCLTS, shall be entered into and may be registered by caveat against title to the Unit.

- (c) For clarity, if NCLTS does not agree to an increase in the Re-sale Price for Improvements, the Re-sale Price will not be so increased, whether or not the Option Grantor completes the Improvements.

5. Notice of Transfer or Intended Transfer.

- (a) The Option Grantor may, five (5) years or longer after the Option Grantor purchased the Unit, or at any time by way of a Will or with the written consent of NCLTS, Transfer the Unit to a Permitted Transferee. Upon such Transfer, the Permitted Transferee shall have the same rights and the same obligations as the Option Grantor. The Option Grantor or the Permitted Transferee must notify NCLTS of the Transfer within 30 days of the Transfer being registered.
- (b) If the Option Grantor wishes to Transfer the Unit to anyone other than a Permitted Transferee, the Option Grantor shall, as a condition precedent to such Transfer, deliver a written notice to both NCLTS and YHC of the proposed Transfer, stipulating a proposed closing date which is not less than 75 days nor more than 120 days from the date the notice is delivered to NCLTS.
- (c) The Option Grantor shall be deemed to wish to Transfer the Unit if a Mortgagee holding a Mortgage over the Unit commences a foreclosure proceeding relating to the Mortgage by filing a Petition or other originating process in the Supreme Court of Yukon. The Mortgagee shall be deemed to have delivered an Option Grantor's Notice to NCLTS and YHC on the date that either NCLTS or YHC actually receives a copy of the Petition or other originating process.

6. Exercise of Option/Right to View.

- (a) Within 30 days of receiving an Option Grantor's Notice, NCLTS shall notify YHC whether NCLTS will exercise the Option. If NCLTS does not notify YHC that NCLTS will exercise the Option, YHC shall be entitled to exercise the Option for the balance of the Option Period, in accordance with paragraph (c).
- (b) During the 45 day Option Period, NCLTS's and YHC's authorized representatives may, from time to time on reasonable notice to the Option Grantor, inspect the Unit or show the Unit to Prospective Purchasers. In this regard, the Option Grantor acknowledges that NCLTS intends to maintain a list of Prospective Purchasers (individuals who may wish to purchase the Unit) and that various of those Prospective Purchasers may wish to inspect the Unit with a view to purchasing it. In addition, NCLTS and its authorized

agents, and any Nominee, may inspect the unit, on reasonable notice to the Option Grantor, within five (5) days before the closing date of any disposition.

- (c) At any time during the Option Period, NCLTS, or YHC if NCLTS has not notified YHC that it will exercise the Option, may exercise the Option to Purchase by delivering notice in writing to the Option Grantor or foreclosing Mortgagee. Such exercise shall create a binding agreement of purchase and sale, which purchase and sale shall close in accordance with section 9.
- (d) If neither NCLTS nor YHC exercises the Option, the Option Grantor may, for a period of six months following the Notice Date, Transfer the Unit to a purchaser approved by NCLTS, which approval shall not be unreasonably refused, conditional on the purchaser confirming in writing to NCLTS that upon taking title to the Unit, the purchaser will be bound by and the purchaser's title will be subject to, this Option Agreement and NCLTS's continuing Option hereunder, and to the Restrictive Covenant.
- (e) This Option to Purchase shall be unaffected by its waiver or non-exercise with respect to any particular Transfer.

7. Transfer.

- (a) After exercise of the Option to Purchase, the Option Exerciser may assign its interest in the resulting agreement of purchase and sale to a Nominee, and upon the Nominee assuming Option Exerciser's obligations under that resulting agreement, the agreement shall continue between the Option Grantor and the Nominee.
- (b) The Option Exerciser may charge a transfer fee to each acquiring purchaser subsequent to the initial purchaser from NCLTS, including a Nominee but excluding a purchaser under paragraph 6(d), in an amount not to exceed 2.5% of the Re-sale Price. The transfer fee is intended to reimburse the Option Exerciser for its direct and indirect costs of identifying and qualifying Prospective Purchasers and co-ordinating with Prospective Purchasers and Option Grantors to facilitate Transfers. The transfer fee will be in addition to the calculated Re-sale Price for the Unit.
- (c) The Option Grantor may charge a fee to an acquiring purchaser under 6(d), in an amount not to exceed 2.5% of the Re-sale Price.
- (d) Any time that NCLTS or YHC exercises the Option to Purchase, it will notify the other of the details of the Transfer on completion of the Transfer.

8. Exercise of Option on Default.

- (a) The Option to Purchase may also be exercised by NCLTS by giving written notice of exercise to the then current Option Grantor:
1. within 90 days of NCLTS becoming aware that a Transfer was made:
 - (i) for consideration, direct and indirect, exceeding the Re-sale Price plus the transfer fee,
 - (ii) without both NCLTS and YHC having waived or being deemed to have waived the Option to Purchase; or
 - (iii) to a person who was not approved by NCLTS under 6(d); or
 2. within 90 days following delivery of written notice from NCLTS to the Option Grantor advising the Option Grantor that they are in breach of their obligations under this Option Agreement or under the Restrictive Covenant (which in general restricts the residency of persons occupying the Unit and restricts renting the Unit) unless such breach is cured within 30 days of the Option Grantor receiving a written notice from NCLTS requiring such cure.
- (b) If the Option to Purchase is exercised pursuant to section 6(c) or section 8(a), all Mortgage Indebtedness, including costs which CMHC or other insurer of the Mortgage would recognize as eligible expenses, will be paid out of or credited towards the Re-sale Price.

9. Closing Terms.

- (a) The purchase and sale of the Unit pursuant to section 6(c) or 8(a) shall be concluded upon the following terms.
1. The purchase and sale price shall be the Re-sale Price as determined by applying the definition of Re-Sale Price in section 1.
 2. The closing, adjustment and possession date shall be 30 days after the Option Exerciser delivers to the Option Grantor or, if the Option to Purchase is exercised after a foreclosure proceeding is commenced, delivers to the Mortgagee, notice that the Option to Purchase will be exercised, subject to section 17 if such date is not a Business Day.
 3. There are no conditions precedent to the completion of the purchase and sale of the Unit after the exercise of the Option to Purchase.
 4. Additional closing terms are set out in Schedule 2 hereto.
- (b) The parties agree that the terms in this section 9 and in Schedule 2 reflect usual conveyancing practice in Whitehorse for the purchase and sale of a residential condominium unit. If the Option Grantor, NCLTS or YHC in the future determines that the terms in Schedule 2 no longer reflect common conveyancing practice in Yukon, and

the parties are not able to agree to a replacement Schedule 2, any of them may apply to a Justice of the Supreme Court of Yukon requesting that Justice to appoint a senior real estate lawyer practicing in Yukon who shall, as expert, have the power to substitute a new Schedule 2. Prior to finalizing any replacement Schedule 2, the expert shall provide a draft to the parties and receive and consider suggestions made by the parties. For certainty, the power of the expert shall be limited to reflecting usual conveyancing terms and practice as would be expected at the time between a purchaser and vendor of a residential condominium unit in Yukon and may not in any event override, change or vary any specific term set out in this Option Agreement, other than those in Schedule 2.

10. Foreclosure by Mortgagee. Upon receipt of the Option Grantor's Notice (including a deemed notice pursuant to section 5(c)), the provisions of this Option Agreement shall be followed as if the Option Grantor's Notice had been delivered by the Option Grantor. However:
- (a) If NCLTS or YHC exercises the Option to Purchase the Unit, the resulting agreement of purchase and sale shall be and is subject to the condition that if the Option Grantor brings the Mortgage into good standing and the Mortgagee discontinues its foreclosure action, the agreement of purchase and sale (even if assigned to a Nominee) shall be automatically terminated with no further act and any deposit returned immediately.
 - (b) NCLTS and YHC are authorized, at their option, to pay on behalf of the Option Grantor such amounts, or take such acts, as are necessary to bring the Mortgage into good standing, and keep it in good standing, which amounts shall include costs incurred by the Mortgagee which CMHC or other insurer of the Mortgage would recognize as eligible expenses.
 - (c) The Option Grantor shall immediately reimburse NCLTS or YHC for any amounts paid or costs incurred by them pursuant to section 10(b), together with interest calculated at the rate applicable under the Mortgage, payable and compounded monthly. If any such amounts are not reimbursed immediately, then such amounts, together with all costs of enforcing this Option Agreement, may be set off against the Re-sale Price payable by NCLTS or YHC upon the next closing of a purchase and sale of the Unit. Such set off amounts may not however exceed the Mortgage Indebtedness outstanding under and secured by the Mortgage.
 - (d) If NCLTS and YHC or either of them:
 - (i) do not exercise the Option to Purchase after receipt of a deemed Option Grantor's Notice from the Mortgagee; or

- (ii) exercise the Option to Purchase but thereafter fail to close the purchase of the Unit and pay out the Mortgage; or
- (iii) do not elect to bring the Mortgage into good standing prior to the Mortgagee obtaining a final order for foreclosure or an order confirming sale and vesting title in respect of its foreclosure action,

then the Option Grantor or the Mortgagee as the case may be, may sell the Unit and the terms of sections 6(d) and 7(c) shall apply.

11. Indemnity and Set Off. The Option Grantor shall immediately reimburse NCLTS and YHC for any and all costs incurred by them pursuant to a bona fide enforcement of the terms of this Option Agreement including, without restriction, all legal costs on a full indemnity basis (the "Enforcement Costs"). All such Enforcement Costs, together with those amounts due by the Option Grantor pursuant to section 10(c) (subject to the restrictions noted therein), may be set off against the Re-sale Price payable by NCLTS or YHC upon the completion of the next purchase and sale of the Unit pursuant to the exercise of the Option to Purchase in accordance with the provisions of this Option Agreement.

12. Notices. If any Notice, other notice, demand or communication (collectively, a "Communication") is contemplated or required to be given to a party under this Option Agreement, the Communication shall be in writing and delivered either personally as follows:

(a) if to NCLTS, at:

2180, 2nd Avenue, Whitehorse YT, Y1A 5N6; or
such other address of which NCLTS notifies the Option Grantor in writing,

(b) if to YHC, at P.O. Box 2703 (Y-1), Whitehorse YT, Y1A 2C6; or

or such other address of which NCLTS notifies the Option Grantor in writing

(c) if to the Option Grantor, at the Unit.

or electronically so long as the recipient confirms receipt of the Communication in writing.

Either party may change its address for the giving of a Communication. Any Communication given as required shall be deemed to be received on the date of delivery provided that delivery occurs during business hours on a business day, failing which the Communication shall be deemed to be delivered or received on the next following business day.

13. NCLTS. Prior to any dissolution or liquidation under Part 10 of the Societies Act, NCLTS will permanently and irrevocably transfer all of its rights under this Option Agreement to YHC.

14. Severability. If any provision of this Option Agreement is found to be void, invalid or unenforceable according to law, the balance of this Option Agreement shall remain valid and fully enforceable.
15. Limited Recourse. The Option Grantor shall not be responsible for any breach of the covenants contained in this Option Agreement except for breaches committed or continued during the time the Option Grantor holds title to the Unit. For clarity, a party bound by the covenants contained in this Option Agreement shall without further act be released personally from those covenants at such time as the party disposes of all of its interest in the Unit, except to the extent such party is then in default of any such covenants. Nothing in this section shall affect any right of NCLTS or YHC to acquire the title to the Unit by exercising the Option to Purchase and as set out in this Option Agreement.
16. Restrictions on Assignment. This Option Agreement may be assigned by NCLTS only to an organization with a similar or the same mandate, with the written consent of YHC, or to YHC. For clarity, nothing in this section derogates from NCLTS's right to assign to a Nominee the agreement for purchase and sale of the Unit arising on the exercise of NCLTS's Option to Purchase.
17. Business Days. Any matter required to be done by or on a time specified in this Option Agreement or the agreement of purchase and sale resulting from an exercise of the Option to Purchase shall, if required to be done on or by a Saturday, Sunday, statutory holiday or other holiday generally observed in Yukon, be required instead to be done by or on the next following day which is not a Saturday, Sunday or holiday.
18. Further Assurances. The parties shall at all times hereafter promptly execute and deliver all such documents and other assurances and do such other acts and things as another party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this agreement or any of the respective obligations intended to be created hereby.
19. Term of Option. This Option Agreement shall remain in effect, and run with the land unless and until terminated earlier by written agreement of all parties.
20. No Merger. If at any time NCLTS or YHC hold title to the Unit, this Option Agreement and the option granted in it shall not merge but shall continue, unaffected by such commonality.
21. Enurement. This Option Agreement and all rights, privileges and obligations contained in it shall extend to and enure to the benefit of and be binding upon the parties and their respective heirs, executors, successors and permitted assigns and on any party's respective successors in interest to the Unit.

IN WITNESS WHEREOF the parties or their respective duly authorized officers have executed these presents as of the ____ day of _____, 20__.

OPTION GRANTOR:

Witness Name:

**GRANTEE: NORTHERN COMMUNITY
LAND TRUST SOCIETY**

Per: _____

Per: _____

GRANTEE: YUKON HOUSING CORPORATION

Per: _____

Per: _____

Schedule 1

The Unit

Condominium Plan _____

Unit _____

Whitehorse, Yukon

And a Unit Entitlement of ____%.

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Schedule 2 Additional Sale Terms

- 1) No deposit shall be required from NCLTS or YHC. However, a Nominee shall, upon assuming the purchaser's obligations under the agreement of purchase and sale resulting from exercise of the Option, provide the Nominee's lawyer with a deposit equal to 5% of the Re-sale Price. The deposit shall be held in trust and either applied to the Re-sale Price at closing, forfeited as agreed liquidated damages if the Nominee fails to close as contracted, or returned to the Nominee if the Option Grantor fails to close as required.
- 2) Included in the purchase and sale of the Unit shall be all permanent fixtures and all major appliances in the Unit, including in any event (unless not in the Unit prior to exercise of the option), the refrigerator, stove, dishwasher, washer, dryer, built-in microwave, hood fan, and window coverings.
- 3) Items which are normally adjusted for on residential real estate transactions in Yukon, such as property taxes, local improvement charges, interest, utility charges and condominium fees, will be adjusted as of the date of closing.
- 4) Title shall be free of registered interests other than and the Restrictive Covenant and those interests that also bind all other units in the condominium complex (or are in the same or similar form to ones binding all other units, such as a caveat protecting an option agreement similar to this Option Agreement) including easements, utility rights of way covenants and conditions normally found registered against residential condominium units which do not affect the saleability of those Units at the market price. However, unless otherwise agreed to by the Option Exerciser, title shall be free from mortgages, liens or other encumbrances securing financial obligations. The sale proceeds may be used to pay out such encumbrances.
- 5) Closing documents will be prepared and tendered in accordance with common conveyancing practise in Yukon but, if required by the purchaser, on trust conditions allowing registration at the Land Titles Office prior to release of money and sufficient to allow the purchaser to register a mortgage against the Unit in order to obtain purchase funds.
- 6) The closing documents shall consist of, at minimum, a registerable transfer, a statement of adjustments and an estoppel certificate from the condominium corporation confirming the vendor is not in default of its obligations to the condominium corporation. The estoppel certificate shall otherwise contain such information as is usually provided by condominium corporations located in Yukon when requested to provide such certificates in connection with the sale of a residential unit. If the estoppel certificate discloses materially adverse

circumstances affecting the condominium corporation which would reasonably affect the saleability of the property, at the agreed price, the purchaser may within 5 business days of receiving the certificate, terminate the agreement of purchase and sale and receive back any deposit paid.

- 7) If prior to the closing, the Unit is damaged and has an anticipated cost to repair of more than \$10,000, or the common property is damaged and has an anticipated cost of more than \$100,000 to repair, the purchaser may terminate the agreement of purchase and sale and receive back any deposit paid. Otherwise, the benefit of any insurance placed by the seller shall be assigned to the purchaser and the transaction shall close. If the insurance is not adequate to cover repairs required to be made to the Unit, a portion of the Re-sale Price adequate to make such repairs shall be held in trust by the seller's lawyer and released as necessary to pay for the repairs.
- 8) Closing documents are to be provided to the purchaser's lawyer in time to allow registration prior to the closing date.
- 9) The seller's lawyer may use the closing funds, once released, to pay out existing encumbrances.
- 10) Applicable statute law shall be followed including the *Income Tax Act* and the *Excise Tax Act*.
- 11) Unless set out in this Schedule 2 or in the attached Option Agreement, there are no warranties, representations or collateral agreements relating to the purchase and sale of the Unit.