Escrow Closings
I. Escrow Closings

Escrow closing is used where the vendor is for some reason unable to fulfill the vendor's obligations under the contract, but where the purchaser and vendor are both intent on completing.

Vendor issues that commonly result in the use of escrow are generally an inability to tender a Form A Transfer in registrable form and an inability to provide clear title. Escrow closings most commonly occur in new construction transactions where delays in the registration of subdivision plans or strata plans can result in legal title to the subject property not being created by the completion date. They are also used in the situation, for example, where an executor of a deceased registered owner has not yet obtained the Grant of Probate to enable him or her to transmit title to the property into his or her name in order to execute a Form A Transfer. Escrow closings may also occur when the purchaser wants to take possession immediately but outstanding charges, such as judgments, maintenance enforcement orders, tax sale notices, prevent the vendor from clearing title.

From the purchaser's perspective, it is often the possession date that is most important. If the purchaser is willing to grant an extension of the completion date in exchange for possession, the parties can agree to complete in escrow. In escrow completions, the vendor allows the purchaser to take possession of the property on the possession date originally stipulated in the contract upon confirmation that the purchaser is and will be ready, willing and able to complete.

Because a new completion date is involved, the parties should agree the new completion date and it should be confirmed that time will remain of the essence.

The vendor's solicitor will generally require that the purchaser deliver to the purchaser's solicitor all funds necessary to complete, less mortgage proceeds, to be held in trust by the purchaser's lawyer or sent to the vendor's lawyer on the escrow date. The vendor's solicitor should confirm that the purchaser has executed all of the necessary conveyance and mortgage documents. The purchaser's solicitor should also ensure that they are in a position to fulfill the undertakings, including the mortgagee's funding conditions such as obtaining insurance binders and title insurance. Adjustments should be as of the possession date. The purchaser should be aware that the possession is at the purchaser's risk, and should ensure adequate insurance is in place.

Sample escrow documents including letters from vendor's solicitors, a letter from a buyer's solicitor, are attached as Appendix A. The escrow letters attached generally provide that all preconditions to funding must have been met short of registration.

There are of course risks to both the purchaser and the vendor in agreeing to an escrow closing.

From the vendor's perspective, there is always the risk that the vendor may not be able to complete for longer than expected. There is also the risk that, although it would constitute a breach of the contract and of the escrow agreement, the purchaser could change his mind about the property after
taking possession and instruct his solicitor not to complete. For the vendor’s protection, the vendor’s solicitor
should confirm that the purchasers’ solicitor has obtained an irrevocable direction to complete on the
new completion date [see examples attached].

Risks to the purchaser may include loss of a guaranteed interest rate from the mortgagee if the purchase does
not complete within the guaranteed rate period. The purchaser should especially beware if there is no
Occupancy Certificate issued yet for the property. The vendor will want irrevocable directions to proceed with
completion, yet it may be a condition of the purchaser’s mortgage funding that an Occupancy Certificate be in
place prior to funding. As previously noted, the escrow letters attached generally provide that all preconditions
to funding must have been met, except for registration. However, it may not be possible to agree to this if
there is no Occupancy Certificate as that is most likely a precondition to funding. As well, the purchaser may
have to complete the purchase in accordance with the escrow agreement but the City could force the
purchaser to move out until the Occupancy Certificate is issued.
Appendix A—Sample Escrow Letters

Barristers & Solicitors
Patent & Trademark Agents

McCarthy Tétrault

MAR 14 2008

March 10, 2008

VIA EMAIL, ORIGINALS VIA MAIL

Cobbett & Cotton
Barristers and Solicitors
300 - 410 Carleton Avenue
Burnaby, BC V5C 6P6

Attention: Randall Cobbett

Dear Sirs:

Re: Sale by Onni Victoria Hill Two Development Limited Partnership (the “Vendor”) to [name redacted] (the “Purchaser”) being Strata Lot [lot number redacted] of Strata Plan (the “Strata Lot”) in “Nurses Lodge”

Further to your recent letter, we now enclose the following documents which have been executed by the Vendor:

1. Form A Freehold Transfer (the “Transfer”) transferring title to the Strata Lot to the Purchaser, and

2. Vendor’s Statement of Adjustments.

If applicable, and only if you have provided us with a GST 190E Rebate Form (the “GST Rebate Form”), we enclose the signed GST Rebate Form.

The Vendor has not executed any statutory declarations which may have been included in your letter as none are contemplated by the Contract of Purchase and Sale (the “Contract”) in respect of the Strata Lot. As the transaction falls within the ordinary course of the Vendor’s business, resolutions specifically authorizing this transaction are not necessary.

In view of the fact that the Land Title Office (the “LTO”) has not yet issued the title to the Strata Lot, we have agreed, as agents for and on behalf of our respective clients, to complete the purchase and sale of the Strata Lot in escrow, on March 13, 2008 (the “Escrow Completion Date”) in order to accommodate the Purchaser’s desire to take possession of the Strata Lot.

The parties agree to complete the purchase in escrow on the following terms and conditions:

Vancouver, Calgary, Toronto, Ottawa, Montreal, Quebec and London, England
An Ontario Limited Liability Partnership
2.1.4

1. You will provide to us, on or before the Escrow Completion Date, a copy of this letter, signed by you on behalf of the Purchaser and, in doing so, you will be confirming that:

   (a) you are holding in your trust account (received by way of wired funds, bank draft or certified cheque) the amount (the "Purchaser’s Payment") equal to the balance due to the Vendor on completion under the Contract as shown on the approved Vendor’s Statement of Adjustments ("VSA"), less the proceeds of any mortgage financing required by the Purchaser for the purchase of the Strata Lot;

   (b) if the Purchaser will be obtaining a mortgage (the "Mortgage"), the Purchaser has satisfied all the lender’s conditions under the Mortgage (including executing same), except for the filing of the Transfer and the Mortgage in the LTO and except for the provision to the lender of evidence of insurance placed by the strata corporation; and

   (c) the Purchaser has provided you with a written and irrevocable direction instructing you to proceed as soon as possible with the completion of the purchase of the Property on or before the second business day after we advise you that the LTO has issued the title for the Strata Lot.

2. The Purchaser’s Payment will be held by you in trust in an interest-bearing trust account from the Escrow Completion Date until the Transfer Date (as hereinafter defined) and all interest earned thereon will be for the account of the Vendor. Please call Lynn Copeland of our office (604-643-5998) if you would prefer to forward the Purchaser’s Payment to our office on the Escrow Completion Date rather than investing same in an interest-bearing trust account.

3. Provided that section 1 of this letter has been complied with, the Vendor will permit the Purchaser to have possession of the Strata Lot on the Escrow Completion Date.

4. You will not file the Transfer in the LTO until we have advised you that title to the Strata Lot has been issued by the LTO.

5. You hereby undertake that, on or before the second business day (the "Transfer Date") after we advise you that the LTO has issued the title for the Strata Lot, you will:

   (a) file or cause to be filed the Transfer and the Mortgage (if any) for registration in the LTO. You are authorized to insert the PID number for the Strata Lot into the Transfer prior to registration;

   (b) upon your receipt of a post-filing for registration search of the title to the Strata Lot disclosing that, in the ordinary course of LTO procedure, title will issue to the Purchaser subject only to the Mortgage and any encumbrances contemplated in the Contract or the Disclosure Statement, pay to us the Purchaser’s Payment.
(unless you forwarded it to us earlier) and the balance of the amount due to the Vendor (the “Balance Due”) pursuant to the approved VSA;

(c) to return with the Balance Due the Parking Stall/Storage Area Assignment (the “Assignment”) signed by the Purchaser, in the form attached as Schedule C to the Information Package previously provided - please note that the Purchaser will not be entitled to the use of the parking stall or storage area until our office has been provided with a signed copy of the Assignment; and

(d) if applicable, pay to the realtor the real estate commission shown on the approved VSA and provide us with a copy of your cover letter.

If you are unable to make the Purchaser’s Payment, or the Balance Due and the Assignment, available to us for pick-up on or before the Transfer Date, you undertake to return the Transfer to us unregistered or withdrawn from registration forthwith upon our written demand.

6. Notwithstanding anything to the contrary, if the Purchaser’s Payment and the Balance Due is not paid to us on or before the Transfer Date, then, at the election of the Vendor (exercisable by written notice from the Vendor to the Purchaser or from us to you), the Deposit, together with all interest accrued on the Deposit, will be paid to the Vendor forthwith, without prejudice to any other remedies of the Vendor, and the Purchaser will deliver to the Vendor vacant possession of the Strata Lot in the same condition it was in on the Escrow Completion Date, reasonable wear and tear excepted. The Purchaser hereby irrevocably authorizes and directs us to deal with the Deposit (and all interest accrued on the Deposit) in the foregoing manner. In such event, if we are holding the Purchaser’s Payment, we will return it to you, in trust, less any interest accrued on the Purchaser’s Payment, which will be retained by the Vendor on the same terms as interest on the Deposit. If you are holding the Purchaser’s Payment, you will pay all interest accrued thereon to us forthwith on demand, and such interest will be retained by the Vendor on the same terms as interest on the Deposit.

7. The Purchaser will have possession of the Strata Lot at the Purchaser’s own risk and will take out reasonable insurance in respect thereof. The Purchaser will be responsible for the payment of all costs, including all utility charges, property taxes and strata corporation fees payable in respect of the Strata Lot from and including the Escrow Completion Date and all adjustments will be made as of the Escrow Completion Date.

8. If the Transfer Date does not occur by June 13, 2008 (unless the parties, acting reasonably, agree to extend the Transfer Date), this letter agreement will terminate, in which case the Purchaser will vacate the Strata Lot in the same fashion as set out in section 6 of this letter, the Deposit and the Purchaser’s Payment, less in each case any interest thereon, will be returned to the Purchaser and this letter agreement and the Contract will terminate with no further obligations between the parties.
9. Except as the same may be expressly modified in this letter, all provisions of the Contract
remain in full force and effect and, for greater certainty, time remains of the essence
thereof.

Please telephone Lynn Copeland of our office at 604-643-5998 when your cheque is available
for pick-up.

We confirm that we will receive the Purchaser's Payment and the Balance Due on our
undertaking to:

(a) attend to the discharge of Notice of Interest, Buildings Lien Act (s.3(2)), see
BV539056 in favour of Onni Development (Victoria Hill) Corp. and advise your
office of registration particulars of the discharge as soon as possible; and

(b) retain 7% of the sale price excluding GST (the "Lien Holdback") until at least
11:00 a.m. on the earlier of the 56th day after the filing for registration of the Form
A and the 45th day after the certificate of completion was issued for the project (the
"Release Time"), and release the Lien Holdback to the Vendor after that time
unless we are advised by you prior to the Release Time of the existence of any
builders' lien claims filed against the title to the Strata Lot. We confirm that, as
provided in the Contract, the Lien Holdback may be deposited in an interest
bearing trust account with interest to accrue for the benefit of the Vendor.

Notwithstanding any undertakings you may impose upon us in your letter forwarding the
Proceeds, we confirm that we are not prepared to accept any undertakings in addition to those
stated in this letter. In particular, we will not accept any undertaking to pay the 2008 property
taxes or utility charges. The Vendor acknowledges its responsibility to attend to the payment of
the property taxes or utility charges when due.

Please acknowledge the Purchaser's acceptance of the terms and conditions of this letter by
signing and returning a copy of this letter by fax as soon as possible. For the purposes of future
correspondence with respect to this matter, this letter will be referred to as the "Escrow Letter".

Yours truly,

McCarthy Tétrault LLP

Scott D. Smythe

SDS/rc
Enclosures

WE CONFIRM THAT THE FOREGOING TERMS ARE HEREBY ACKNOWLEDGED AND AGREED TO BY THE PURCHASER'S SOLICITOR ON HIS/HER OWN BEHALF (AS TO THE UNDERTAKINGS THEREIN ONLY), AND AS AGENT FOR AND ON BEHALF OF THE PURCHASER, THIS ________ DAY OF MARCH, 2008.

Cobbett & Cotton

Randall Cobbett
2.1.8

FRASER MILNER CASGRAIN LLP

JOHN G.R. THIRD
Direct Line: (604) 663-7103
Email: john.third@fmc-law.com

VIA COURIER
Cobbett & Cotton Law Corporation
Barristers & Solicitors
300 - 410 Carleton Avenue
Burnaby, BC
V5C 6P6

Attention: Randall E. Cobbett

July 25, 2007

Dear Sirs/Mesdames:

Re: Sale at [redacted] Street, Burnaby, BC
Strata Lot [redacted] Strata Plan [redacted]
Polygon Sullivan Heights Development Ltd. (agent for
Polygon Halston Development Ltd. and Progressive Halston Development Ltd.
doing business as Polygon Halston Joint Venture) to [redacted]
Project known as “Sandlewood, Phase III”

On behalf of Polygon Sullivan Heights Development Ltd. (agent for Polygon Halston Development Ltd. and Progressive Halston Development Ltd. doing business as Polygon Halston Joint Venture), we enclose herewith the following documents duly executed by our client:

1. Form A Freehold Transfer;
2. Vendors’ Statement of Adjustments – to follow via facsimile;
3. A copy of the Occupancy Permit.

These documents are delivered to you upon your undertaking that within two (2) business days after receipt of confirmation from our offices that the Strata Plan has been fully registered and titles have been created, you will submit the Transfer documents for registration in the New Westminster/Vancouver Land Title Office. Immediately following acceptance of the documents in the New Westminster/Vancouver Land Title Office, upon receipt of a satisfactory post-index search of the property and upon receipt of the mortgage proceeds, if any, you will remit to our firm, in trust, the balance due on completion as set out in the approved Vendor’s Statement of Adjustments and in accordance with the Schedule “B”, Escrow Closing, to the Contract of Purchase and Sale dated September 4, 2006. Please note that under the terms of
the Schedule “B”, Escrow Closing, on the Extended Closing Date, in addition to the balance due on the approved Vendor’s Statement of Adjustments, upon receipt of funds from the Purchaser, you must also forward the amount payable by your client to the Vendor under Paragraph 3 of Schedule “B” to the Contract of Purchase and Sale.

If this transaction does not complete for any reason whatsoever on the Extended Closing Date, or if, for any reason, you are unable to comply with any of the above undertakings and disburse funds as aforesaid, you will return the Transfer to us, unused, forthwith upon demand or, alternatively, will make application to the Registrar of the Land Title Office to have the Transfer and the New Mortgage, if any, withdrawn on demand and will return the Transfer to us forthwith upon receipt.

Prior to giving occupancy, we are requesting written confirmation that all conditions have been met in accordance with the Schedule “B”, Escrow Closing, to the Contract of Purchase and Sale and that your client will have deposited with you, the cash required to complete the purchase, less only the net amount of mortgage proceeds, if any, and that the said funds are deposited in a daily interest savings account with interest accruing to the Vendor from the Actual Possession Date.

Upon receipt of the net sale proceeds, we undertake to remit sufficient funds to the lender in exchange for a Partial Discharge of Mortgage and Assignment of Rents all in favour of the Bank of Nova Scotia, and all related Priority Agreements, as they relate to Strata Lot , to cause them to be discharged and to advise you of the discharge registration particulars in due course.

We will not be providing you with copies of our payout letter, payout statement or payout cheque as you may have requested. The contract of purchase and sale between the Vendor and the Purchaser does not adopt the Canadian Bar Association standard form undertakings and, accordingly, we will close only on the undertakings provided to you with this letter. Please do not place us on any other undertakings when delivering the sale proceeds as we cannot accept them, nor does the contract of purchase and sale allow for them.

Notwithstanding any other undertaking imposed upon us with respect to the builders’ lien holdback, we confirm that, in accordance with the new Strata Property Act Section 88(2), we undertake upon receipt of the builders’ lien holdback in the sum of $22,743.00, to hold the same until the earlier of:

(a) the date which is 55 days after the date of the Occupancy Permit; or

(b) the date which is 55 days after the date of completion.

Unless you advise us, prior to such release date that you have conducted a lien search and such search has disclosed a lien, we shall release the lien holdback to our client.
the builders' lien holdback is retained by your firm, it is to be deposited in an interest bearing trust account, with interest accruing to the benefit of our client.

The enclosed documents are forwarded to you on your further undertaking to provide us with the following documents, duly executed by the Purchaser along with the net sales proceeds on Completion Date:

1. The Application for GST Rebate Form 190E;
2. Form 254-P Certificate;
3. Parking Stall Assignment; and
4. Residential Storage Locker Assignment.

We confirm that our client is registered with Travelers Guarantee Company of Canada under Builder No. 00002637. With respect to the Warranty Commencement Date Certificate, you may obtain a copy from your client directly as the Certificate gets signed off by your client one week prior to the completion date.

You are hereby authorized to insert the parcel identifier number and legal description to the Form A Freehold Transfer.

We trust you will find the foregoing to be in order, but should you have any questions, please do not hesitate to contact Brenda Chan at 604-687-4460 of our offices.

Yours truly,

FRASER MILNER CASGRAIN LLP

[Signature]

John G. R. Third

JGRT:bc
Enclosures
Sandlewood

SCHEDULE ‘B’

Selling Closing

Date: September 4, 2026

CIVIC ADDRESS: Unit #

LEGAL DESCRIPTION: Proposed Strata Unit

Whence registration of the Strata Plan and the creation of legal title to the Home has not been completed, the parties agrees to extend the Completion Date, and the Purchaser is deemed to have procured possession of the Home on the Possession Date and Polygon is agreeable to allowing the Purchaser to take possession thereof upon the terms and conditions contained herein, the parties agree as follows:

1. The Completion Date of the purchase and sale shall be extended to the earlier of:
   (a) the second business day following delivery by Polygon to the Purchaser or the Purchaser’s solicitor or notary of written confirmation that the Land Title Office has commenced registration of the Strata Plan or
   (b) 180 days after the actual Possession Date as defined herein.

   The Completion Date as extended in this clause shall be referred to as the “Extended Closing Date.”

2. The Purchaser may take possession of the Home on the Possession Date or such other date prior to the Extended Closing Date (the “Actual Possession Date”) as the parties may agree upon subject to satisfaction of the following terms and conditions:
   (a) Polygon and the Purchaser have executed and delivered to the Purchaser’s solicitor or notary, Polygon’s and the Purchaser’s Statements of Adjustment settling at necessary adjustments in respect of the purchase of the Home made as at the Actual Possession Date, which date shall be the Adjustment Date for purposes of this Contract;
   (b) the Purchaser, not a representative of Polygon shall have conducted an inspection of the Home and satisfied upon a list of deficiencies in the Home to be remedied by Polygon, if any;
   (c) the Purchaser shall have executed and delivered to the solicitor or notary all documents and agreements necessary for completion of the purchase, together with written confirmation that all mortgage financing required by the Purchaser for completion of the purchase, if any, has been approved by the mortgage lender; To the extent that mortgage documents have been prepared, the Purchaser shall have executed and delivered such documents to the mortgagor’s solicitor;
   (d) the Purchaser shall have deposited with its solicitor or notary the amount required to complete the purchase, less only the net amount of mortgage proceeds, and the solicitor or notary shall have invested such funds in an interest bearing trust account with interest accruing to Polygon from the Actual Possession Date;
   (e) Polygon shall have obtained an occupancy permit for the Home or other evidence that the Home has been approved for occupancy by the municipality or city in which the Home is situated;
   (f) Polygon shall have delivered to the Purchaser’s solicitor or notary n Form A, Freehold Transfer, of the Home in favour of the Purchaser duly executed in registrable form requiring only notarization of the Strata Plan number and Parcel Certificate number for the Home;
   (g) the Purchaser shall have given its solicitor or notary instructions to complete the purchase of the Home on the Extended Closing Date;
   (h) the solicitors for Polygon and the Purchaser shall have settled their respective undertakings in respect of the closing and the Purchaser’s solicitor or notary has confirmed to Polygon’s solicitor that he knows of no conditions precedent to the advance of the mortgage funds save and except registration of title and of the mortgage security.

3. The Purchaser shall pay to Polygon interest calculated on that portion of the purchase price which is equal to the expected net proceeds of the Purchaser’s mortgage financing, such interest to be calculated at the interest rate equal to that payable under the terms of the said mortgage from the Actual Possession Date and payable to Polygon on the Extended Closing Date.

Interest earned on that portion of the purchase price held in trust pursuant to clause (2) shall accrue to the benefit of and be paid to Polygon on the Extended Closing Date.

4. Polygon shall use its own efforts to cause registration of the Strata Plan to be commenced as quickly as possible and in any event within 120 days from the Actual Possession Date.

5. The parties hereby agree to do such acts and to execute and deliver such deeds, documents and other assurances as may be reasonably required to complete the sale and purchase in accordance with the terms hereof.

6. Except as amended hereby, all terms and conditions of the Contract are ratified and confirmed and remain in full force and effect.

[ signature ]

POLYGON
Polygons Developers Inc. and Polygons Ventures Development Ltd.
501-678 1 Street
Vancouver, BC V6B 1W9

[ signature ]
March 20, 2008

File No. 50905-79

Cobert & Cotton Law Corporation
Barristers and Solicitors
#209 – 410 Carlton Avenue
Burnaby, BC V5C 6C6

Attention: Sergio Capal

Dear Sirs/Madames:

Re: ROYAL COLUMBIA POINTE PARTNERSHIP (the "Vendor")
Sale to [Redacted] of Strata Lot [Redacted], Unit [Redacted], Sherbrooke Street, New Westminster, BC (the "Property")
Possession date scheduled for March 15, 2008 pursuant to Notice of Possession delivered to the Purchaser by the Vendor (the "Original Possession Date")
Escrow closing requested for: March 28, 2008 (the "Escrow Closing Date")
Possession date approved for: March 29, 2008 (the "New Possession Date")

In relation to the above captioned sale, we wish to confirm that the Phase 2 Strata Plans are currently being circulated for execution, and we will be registering the same to have titles raised as soon as possible. The above noted Original Possession Date was scheduled for this unit prior to the Vendor being advised that titles would not be raised in time for closing. Accordingly, we confirm that the Original Possession Date shall be extended in the manner set forth below.

Our client has agreed to permit the Purchaser to take possession of the Property on the day following the Escrow Closing Date on the terms set forth herein and on your signed acknowledgment that your office agrees to complete this transaction within three (3) business days after we provide you with confirmation of registration of the Phase 2 Strata Plans (the "Closing Date").

We confirm that our client's agreement to permit your client to take possession of the subject Property on the New Possession Date, is based on your confirmation on behalf of your client as follows:

1. that you are in receipt of the funds required to complete the transaction, less only the funds to be advanced pursuant to any mortgage financing, and that you will hold those funds in trust pending completion of the subject transaction;

2. that all preconditions to the funding of your client's financing have been met (including your receipt of lender's instructions but excluding the Purchaser's signatures), to be obtained once titles
are raised), except for registration of your client's mortgage and a satisfactory post registration search;

3. that you will provide our office with closing documents on or before the Escrow Closing Date, including a Form A – Transfer to be completed upon receipt of notice from our office setting forth the Closing Date, and a Vendor's Statement of Adjustments reflecting adjustments as of the Escrow Closing Date, for the Vendor's approval as a condition to their release of keys;

4. that you will continue to hold your client's funds in trust pending registration of the Phase 2 Strata Plans and that you have irrevocable authority to complete the transaction on receipt of confirmation from our office to proceed with registration of the transfer; and

5. in the event your client, for any reason, refuses to complete, they agree to vacate the subject Property within seven days of notice from our offices and acknowledge that they are not tenants in the Property.

We trust the above is satisfactory and, provided that your clients agree with the foregoing, we ask that you sign and return a copy of this letter acknowledging your agreement in relation to these matters, on their behalf. We confirm that we will advise you as soon as the Strata Plans are fully registered and titles have been issued for Phase 2.

We thank you for your assistance.

Yours truly,

LANDO & COMPANY LLP

[Signature]
Robyn A. Miles
/s/b

Acknowledged and agreed to this 27th day of March, 2008.

RANDALL E. COBBETT
[letter from Purchaser's lawyer to Seller's lawyer]

2.1.14

BRAWN KARRAS & SANDERSON
BARRISTERS AND SOLICITORS

OUR FILE NO.*

[date]

[to vendor's solicitors]

Dear Sirs:

Re: *** (the "Seller")
Sale of#****
being Lot** (the "Property")
to *** (the "Buyer")

Further to our letter dated **, we confirm that we have in our trust account the amount required by the Buyer to complete the purchase of the Property in accordance with the Buyer's Statement of Adjustments (the "Equity Payment"), which along with the net amount to be advanced to the Buyer pursuant to their mortgage commitment with their lender, will enable us to pay to your offices the amount due to the Seller on completion pursuant to the Seller's Statement of Adjustments.

We also confirm that, to the best of our knowledge, the Buyer has fulfilled all conditions required by their lender, including the execution of the Form B Mortgage (the "Mortgage"), in connection with their mortgage financing which is in an amount sufficient to pay the balance, after applying the Equity Payment, of the amount due to the Seller on completion under the Contract of Purchase and Sale (the "Mortgage Balance").

We will retain the Equity Payment in our trust account until the date on which the Form A Transfer (the "Transfer") is filed for registration at the Land Title Office.

The Buyer is aware that the completion date for the subject transaction will be when the registration of the Strata plans has been finalized, title to the Property has been issued at the Land Title Office and we have received a parcel identifier number and you have provided the occupancy permit. To this end we confirm that we have received from the Buyer a direction to forthwith proceed with the concurrent registration of the Transfer and Mortgage at that time.

The Buyer will arrange and maintain adequate insurance on the contents of the Property and personal belongings of the Buyer from and including the escrow completion date. As the Seller is still the registered owner of the Property it is essential that the Seller maintain adequate insurance coverage.

The Buyer has been advised by us and has acknowledged that they will be responsible for the payment of all costs payable in respect of the Property from and after the escrow completion date to the extent applicable.

We further confirm that, except as the same may be expressly modified in this letter for the purpose of providing the Buyer with possession of the Property, all provisions of the Contract of Purchase and Sale with respect to the subject transaction remain in full force and effect and, for greater certainty, time remains the essence thereof.

Please confirm that the Seller will now grant the Buyer possession of the Property.
AUTHORIZATION

TO THE FIRM OF:

Brawn Karras & Sanderson
Barristers & Solicitors
340 – 5620 – 152nd Street
Surrey, BC

Re: Purchase of ********* (the "Property")

We, the undersigned, hereby give Brawn Karras & Sanderson the irrevocable authority to complete the purchase of the Property on the second business day following advice from the vendor's solicitor that title to the Property has been issued.

We confirm that we understand that Brawn Karras & Sanderson holds the closing funds, less the mortgage proceeds (if applicable) 'in trust' until such time as the title to the Property has been issued and that registration in the Land Title Office has taken place.

Where applicable, we confirm that we will pay the interest calculated on the portion of the purchase price which is equal to that payable under the terms of the mortgage being granted by our lender from the possession date as permitted by the vendor to the actual closing date, being the date documents are registered in the Land Title Office.

We authorize the firm of Brawn Karras & Sanderson to insert the legal description onto the required closing documents once title to the Property has been issued.

DATED this ___ day of _______________, 2008
EARLY POSSESSION AGREEMENT

BETWEEN:

**** (the “Purchaser”)

AND:

**** (the “Vendor”)

WHEREAS:

1. The Purchaser and the Vendor have entered into a contract of purchase and sale dated **** (the “Contract”), in respect of the purchase and sale of [civic] in the development known as “****” (the “Lot”);

2. The Purchaser has requested possession of the Lot prior to completion of the purchase of the Lot; and

3. The Vendor has agreed to provide the Purchaser with early possession of the Lot on the following terms and conditions.

In consideration of the Vendor permitting the Purchaser to occupy the Lot prior to the completion of the sale of the Lot, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Vendor and Purchaser agree as follows:

1. The Vendor hereby agrees that the Purchaser shall be entitled to early possession of the Lot on ****, subject to the terms of this Agreement.

2. The Purchaser hereby releases the Vendor from any claims associated with the provision of possession to the Purchaser and agrees to indemnify and save the Vendor harmless from and against any claims, damages, actions or expenses suffered by or made against the Vendor that directly or indirectly arise from the Purchaser’s possession of the Lot.

3. The Purchaser hereby agrees to take out and maintain liability insurance and insurance in connection with the Purchaser’s furniture and personal effects, which insurance shall be effective from ****, and further agrees to indemnify and save the Vendor harmless from and against any claims, damages, actions or expenses suffered by or made against the Purchaser or in connection with the Purchaser’s furniture and personal effects.

4. Prior to receiving early possession, the Purchaser shall have executed and delivered to his solicitor or notary public all documents and agreements necessary for completion of the purchase, together with written confirmation that all mortgage financing required by the Purchaser for completion of the purchase, if any, has been approved by the mortgage lender. To the extent that mortgage documents have been prepared, the Purchaser shall have executed and delivered such documents to the mortgagee’s solicitor or notary public.

5. Prior to receiving early possession, the Purchaser shall have deposited with his solicitor or notary public the funds required to complete the purchase of the Lot, less only the net
amount of mortgage proceeds, if applicable, and the solicitor or notary shall have placed such funds in a trust account.

6. Possession of the Lot shall not be provided to the Purchaser until the Vendor has received confirmation from the Purchaser’s solicitor or notary public that the Purchaser has complied with sections 3, 4 and 5 of this Agreement.

7. The Purchaser agrees to complete the purchase of the Lot within two business days following delivery to the Purchaser’s solicitor or notary public of a court-certified vesting order (the “Vesting Order”), authorizing the transfer of the Lot to the Purchaser confirmation as to the legal description of the Lot and the issuance of title at the Land Title Office (the “Title Confirmation”).

8. The Purchaser further acknowledges and agrees that early possession of the Lot is being given to the Purchaser by the Vendor only on condition that the Purchaser completes the purchase of the Lot within two business days following delivery of the Vesting Order/Title Confirmation as set out in section 7 above. If the Purchaser for any reason fails to complete the purchase of the Lot on the specified date in accordance with the terms of the Contract, the Vendor shall be entitled to take any and all steps it chooses to remove the Purchaser and the Purchaser’s possessions from the Lot, and the Purchaser waives all right to continued possession.

9. This Agreement may be signed by the parties in counterpart and transmitted by facsimile or email, and each such counterpart, regardless of how transmitted, shall be deemed to be an original and all such counterparts taken together shall be deemed to constitute one document.

10. The references to the parties shall be made with such changes in gender as may be appropriate, and when appropriate and the singular shall mean the plural and vice-versa.

Dated effective the ______ day of****.

Purchaser:

________________________________________

________________________________________

Vendor:

Authorized Signatory